Daily Report

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International Affairs

Cyrus Vance and Lord Owen, cochairmen of the Conference on Yugoslavia, met with Croatian President Franjo Tudjman in Zagreb on 9 September. According to Zagreb radio, Tudjman said: "We were pleased to hear that these gentlemen have reached the conclusion that it is time that UNPROFOR took more definite steps in Croatia to resolve the question of the reopening of roads, the return of refugees where possible, and the disarming in UNPROFOR zones of irregularly armed forces active there in the form of police and militias, but which in fact are terrorist groups, terrorizing the population there."

Yugoslavia

Federal—TANJUG reports that Prime Minister Milan Panic said that "he is happy because the Serbs are for peace, because it is the policy of his government and that citizens support that policy and hold it in great esteem." Commenting on Bosnia-Hercegovina, Panic stated: "I expect peace soon, the normalization of the situation, the return of refugees and that people in Bosnia-Hercegovina start to live peacefully."

Romania

The Chamber of Deputies passed a bill on 9 September ratifying "the treaty between Romania's Government and the Government of the United States on mutually encouraging and protecting investments, signed in Bucharest on May 28, 1992," ROMPRES reports.

Hungary

Customs authorities "denied Romanian allegations that they violated a UN embargo when they let Hungarian petrol tanker lorries cross the border into Serbia early this month," MTI reports. The tankers initially sought to enter Yugoslavia through Romania but were turned back because their registration numbers did not appear on a licensing list in Roszke. The tankers then drove to Nagylak on the Hungarian-Romanian border where Hungarian border guards allowed them to cross, but Romanian customs authorities again refused to allow the trucks through. "Finally, the tankers drove to Roszke again, where they were then able to cross the border, the Hungarian customs official said."

Tudjman 'Pleased' With Stands of Vance, Owen

LD0909211592 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 9 Sep 92

[Text] Cyrus Vance and Lord Owen, cochairmen of the peace Conference on Yugoslavia, arrived in Zagreb today. Here is a report from Tihomir Vinkovic:

[Vinkovic] Owen and Vance had a meeting with UN Protection Force [UNPROFOR] Commander General Nambiar and the European observers. Vance and Owen also were received today by President of the Republic Franjo Tudjman, who said after the conclusion of the talks:

[Begin recording] We had exhaustive and long talks with the cochairmen of the conference on the former Yugoslavia, covering the completion of the tasks of UNPROFOR in Croatia and all problems relating to the crisis in former Yugoslavia, particularly the war in Bosnia-Hercegovina. We were pleased to hear that these gentlemen have reached the conclusion that it is time that UNPROFOR took more definite steps in Croatia to resolve the question of the reopening of roads, the return of refugees where possible, and the disarming in UNPROFOR zones of irregularly armed forces active there in the form of police and militias, but which in fact are terrorist groups, terrorizing the population there.

In our long discussion we agreed that specific steps should be taken to open the roads and resolve these questions in Croatia, which will then help to resolve the situation in Bosnia-Hercegovina as well. [end recording]

[Vinkovic] Thanking President Tudjman for the meeting, Lord Owen said that the problems in Croatia would best be solved by negotiations. The stance of Milan Djukic, vice president of the Croatian Assembly, was seen by Lord Owen as one of the models for resolving these problems. Milan Djukic is a Serb who fully accepts the Croatian government; this, Lord Owen said, is encouraging at this stage.

Vance and Owen leave for Sarajevo tomorrow, and shortly afterwards for Belgrade, where they will convey the Croatian stands to the authorities there.

Karadzic Discusses Scheduled Meeting With Owen

AU0909190892 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 9 Sep 92

[Text] Radovan Karadzic, president of the Presidency of the Serbian Republic, today stated that he will meet Cyrus Vance and Lord Owen, cochairmen of the Conference on Yugoslavia, in Sarajevo tomorrow and discuss further details concerning the peace plan for Bosnia-Hercegovina. Karadzic described Vance as a man who listens carefully and does not make hasty decisions.

Karadzic made the following statement for Serbian radio and television on that subject:

[Begin recording] The Serbian side in the former Bosnia-Hercegovina has done much for the London conference to succeed, both during the conference and after it. We agreed to make numerous concessions because we care for a political solution.

As regards the placement of heavy weapons under UN supervision, the Serbian side is doing this two days before the scheduled deadline. We are very satisfied that we will have UN observers at our positions so that can testify as to whether we are shooting first and whether we are hitting civilian targets.

I will use tomorrow's meeting with Mr. Vance and Lord Owen to discuss options for easing the situation around Sarajevo, as well as options for creating a group for Bosnia-Hercegovina as the Cutileiro group no longer exists.

Serbians in Bosnia-Hercegovina have defended and protected their territory and we hope that they will continue to do the same. At the same time, they will do everything possible for the unjust sanctions that have affected Yugoslavia, that is to say Serbia and Montenegro, to be lifted. We will soon do something to alleviate the sanctions by, above all, making concessions in Bosnia-Hercegovina, concessions directed toward peace and a political solution. [end recording]

Economic Accord Negotiated With Croatia

AU0409195992 Sofia BTA in English 1456 GMT 4 Sep 92

[Text] Sofia, September 4 (BTA)—Deputy Foreign Ministers Dimitur Ikonomov of Bulgaria and Vinko Kandzija of Croatia today held talks at the Bulgarian Foreign Ministry. They coordinated a protocol for consultations between the two foreign ministries.

Under an agreement approved today, Bulgaria and Croatia will grant each other a most-favoured-nation status, encourage interbank cooperation, effect payments in convertible currency and grant each other transport concessions. The accord was initialled by deputy trade ministers of Bulgaria and Croatia and will soon be signed at government level. Bulgaria is the second country to conclude an economic accord with Croatia. The countries have drafted lists of commodities to be exchanged. Bulgaria has been exporting to Croatia calcinated soda and other chemicals, canned foods, frozen meat, and cheese.

Ganev Assesses Results of London Conference

AU0509162292 Sofia DEMOKRATSIYA in Bulgarian 31 Aug 92 pp 1, 6

[Interview with Foreign Minister Stoyan Ganev by Konstantin Bugarchev in London; date not given: "Our Responsibility Is Immense"]

[Text] The Bulgarian delegation to the London conference on solving the Yugoslav crisis was led by Foreign Minister Stoyan Ganev, who was kind enough to answer some questions on Bulgarian foreign policy asked by our special correspondent in London.

[Bugarchev] Mr. Minister, you assess the Yugoslav crisis as one of the greatest challenges for the modern democratic world in the last few decades. What is the challenge to Bulgarian foreign policy, and how did this challenge manifest itself at the London conference?

[Ganev] I think Bulgaria and our foreign policy have never been placed in such a difficult situation as in the last few months, during which time a conflict has been raging in the Balkans that also represents a potential threat to Bulgaria's national security. For this reason, it goes without saying that we bear an immense responsibility. One of the main principles of our foreign policy is to take account of the realities that exist in the Balkans, Europe, and throughout the world. It is not in any country's interest to ignore reality. This is why we are currently building up our relations with all the Balkan countries and striving to solve the specific problems that exist and that have accumulated over the years. This is perhaps the most important contribution one country can make together with another in the Balkans at the moment. At the same time, we are bearing in mind the existing interrelations in the Balkans. For example, our policy toward the Republic of Macedonia is precisely in line with the principle of taking account of existing realities. We have done what, in my view, every state should do—namely, acknowledge the existence and independence of the former Yugoslav Republic of Macedonia and recognize the fact that the Macedonian people want to be independent within their existing borders. The observance of this reality, in my opinion, is one of the greatest merits of our foreign policy.

[Bugarchev] The London conference was a unique meeting. Do you think that the conference provides any particular chance for the future development of relations in the Balkans?

[Ganev] I stated in my speech that this conference indeed offers a unique opportunity by virtue of the fact that it concentrates the potential of all the institutions that currently are not only interested, but also able to solve the problem of Yugoslavia, and this is a problem that will decide the future of the Balkans. We hope that the conference will turn into an international mechanism for solving the Yugoslav crisis because military efforts are perhaps not the right means for the world community to choose to solve the crisis. The London conference demonstrated this because political talks and dialogue are the way to solve very complex problems. In my personal view, the conference achieved certain results that allow us to look more optimistically toward solving the Yugoslav crisis.

[Bugarchev] How do you assess the positions of Washington and Moscow regarding the Yugoslav crisis?

[Ganev] In my view, the U.S. position, as explained by acting Secretary of State Lawrence Eagleburger, was an especially strong and outspoken position that leaves no doubt whatsoever in anyone's mind that solving the problem cannot be delayed or postponed. Furthermore, no one can work from the starting position that all are guilty, that all are responsible, which is how some people in Bulgaria are attempting to present the situation.

At the conference Russia also adopted a realistic position and, far from obstructing the conference by its actions, helped its work.

[Bugarchev] The annual session of the UN General Assembly is approaching. What priorities will the Bulgarian delegation have in its work there, especially in view of the fact that the session is expected to take place under Bulgaria's chairmanship?

[Ganev] There is an exceptionally good chance that Bulgaria will chair the 47th UN General Assembly Session. To highlight the importance of this fact, it is sufficient to point out that at the moment, Bulgaria and Bulgarian diplomacy are the subject of particular attention on the part of many countries—countries, moreover, that play leading roles in world politics. I am thinking of the consultations that Bulgaria is conducting with the United States, France, and many other countries that show interest in our standpoints and in coordinating with Bulgaria in the UN General Assembly's work. What is more, it is emerging that this work is

exceptionally difficult and important. It is sufficient to cite as an example the fact that the Yugoslav crisis will undoubtedly figure in the session agenda and debates. The issue is being raised of the membership of the former Yugoslavia and the new Yugoslavia, and the problem of succession to Yugoslavia's seat in the United Nations.

The Bulgarian delegation, which will be led by President Dr. Zhelev—he will take part in the opening of the session and deliver a speech—is departing for New York very well prepared. We have conducted advance consultations that have enabled us to achieve a very good orientation and coordination regarding our specific proposals on many of the important questions on the UN General Assembly's agenda.

[Bugarchev] On 10 September a session of the Ministers Committee of the Council of Europe, of which our country is a full member, is due to take place in Istanbul. What do you expect from this session?

[Ganev] The main topics at the session will be the future of the Council of Europe and its interrelations with the CSCE. As is well known, Bulgarian diplomacy proposed a new item for the agenda of the Istanbul meeting, asking that the question of human rights and the rights of minorities on the territory of the former Yugoslavia be included. You can understand our concern over this question, both as a neighboring state and, in general, as a democratic state. We would like the meeting of the Council of Europe Ministers Committee to adopt a resolution that not only contains an analysis of what is happening in the former Yugoslavia from the human rights aspect, but also proposes, in the name of the Council of Europe, guarantees for protecting human rights and minority rights.

Here, I am thinking especially of the issue that Bulgaria will raise in Istanbul, just as it did at the London conference—namely, the situation of the Bulgarian minority in Serbia. I am very closely aware of the alarm that the Bulgarian public feels concerning the situation of the Bulgarians in Serbia, and I fully understand this alarm. I would like to remind you that for the first time in many years, and perhaps for the first time ever, I raised the question of the Bulgarians in Serbia very clearly and strongly at an official level at the meeting that I held in Serbia a few months ago, and I also met with the Bulgarians' organization there. We are extremely concerned. During the last few weeks we have witnessed certain additional negative processes connected with ethnic cleansing and the resettling of people in districts in where the Bulgarian minority lives.

SDS Council Rejects Attacks on Government

AU0809193092 Sofia BTA in English 1829 GMT 8 Sep 92

[Text] Sofia, September 8 (BTA)—No organization or party in the Union of Democratic Forces (SDS) supports the idea for restructuring the political space and for a replacement of the Bulgarian Government, SDS spokesman Mikhail Nedelchev said at a press briefing after today's session of the National Coordinating Council of the SDS. He said that all parties and organizations in the ruling coalition voted in support of this stand.

The Alternative Social Liberal Party (ASP) also stated that there could be no talk about restructuring, that it has adopted no decision concerning this issue and that it would not support the stand for a replacement of the cabinet, and especially of the prime minister, Mr. Nedelchev added. No one in the SDS claims that the government is not implementing the programme of the SDS, he stressed. According to the SDS National Coordinating Council, the idea launched by some political circles and mass media for a restructuring of the political space is an attempt to overthrow the government of the SDS. We regard the allegations of forces outside the SDS that it is necessary to restructure the coalition as an inadmissible interference in its affairs. According to him, President Zhelyu Zhelev has the right to speak of changes in the coalition, but only as a member of the SDS and not as a representative of an institution outside the SDS. Dr. Zhelev is not a member of the National Coordinating Council—the supreme leadership of the SDS which is responsible for taking the political decisions which are then implemented, the spokesman for the ruling coalition said.

According to Mr. Ivan Kurtev, chairman of the Social Democratic Party in the SDS, the allegations about a necessity to restructure the political space are, on the one hand, an attempt to split the SDS and on the other, an attempt to provoke personal confrontations in the coalition.

Mr. Georgi Markov, deputy chairman of the Democratic Party, refuted the opinion expressed by the leader of the ethnic Turks' Movement for Rights and Freedoms (DPS), Mr. Ahmed Dogan, in the Sunday-150 radio programme, that the Democratic Party was trying to absorb the SDS. There are no signs of such a striving, and we are loyal allies in the SDS, he said.

More than a week ago President Zhelev criticized the work of the government and the way it is implementing the economic reform and the programme of the SDS. Later on DPS leader Ahmed Dogan said that it was necessary to "overhaul" the cabinet. Leaders of the extraparliamentary opposition and the leader of the Podkrepa Labour Confederation, Dr. Konstantin Trenchev, have repeatedly made similar statements. At the national session of its coordinators on Sunday, the ASP—a member of the SDS—launched the thesis that resolute changes were necessary in the policy of the SDS as well as personnel changes in the government.

Today, however, the Sofia City Council of the SDS also expressed categorical support for the cabinet and its activities. The parliamentary group of the SDS and the cabinet headed by Filip Dimitrov are implementing the

programme of the SDS with which it won the parliamentary and presidential elections. Evidence of the successful development of the reform in the conditions of political stability and civil peace are the attacks on the government by political and trade union leaders linked with the former totalitarian regime, a statement of the SDS Sofia City Council, received at BTA, reads.

The document expresses bewilderment at the stand of the ASP, whose leaders are in the government which they are attacking, and points out that if they do not approve of the policy pursued by the government it is their moral duty to leave it. The document also expresses doubt in their loyalty to the coalition and their further membership in it.

The Sofia City Council of the SDS appeals to the followers of the SDS idea too support the reform implemented by the government and parliament. It calls on the cabinet and the parliamentary majority of the SDS and the DPS to act resolutely for the decommunization of this country and to continue their firm legislative policy. The SDS Sofia City council also calls for a new political agreement between the parties and organizations in the ruling coalition, as well as for a political agreement between the SDS and the DPS.

The parliamentary group of the SDS also held a session today. The MP's [members of parliament] discussed the legislative policy of their faction this autumn, and more precisely the bills which will be given priority in the debating chamber. It also discussed and approved the candidature of BTA Deputy Director General Panayot Denev as chief of the Bulgarian Radio and heard his concept on the future development of this electronic media. Representatives of the parliamentary group of the DPS, who according to SDS floor leader Aleksandur Yordanov were invited to take part in the session, were obviously not present.

The session was attended by Prime Minister Filip Dimitrov and the cabinet members. It analysed the political situation in Bulgaria. "The parliamentary group is united. The parliamentary majority is a guarantee for the replacement of the system. There are no differences between the government and the parliamentary group on the bills to be debated," Mr. Aleksandur Yordanov said. "There are no differences as regards the priorities," Prime Minister Filip Dimitrov said in his turn. Mr. Filip Dimitrov denied the rumours that talks have been held with the governor of the National Bank of Bulgaria, Prof. Todor Vulchev, for his nomination as prime minister.

Prepared To Set Election Date

AU0809133492 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 8 Sep 92

[Text] There is not a single party in the Union of Democratic Forces [SDS] that thinks that the SDS is not implementing its program through the government and the SDS parliamentary faction. This was stated today by Mikhail Nedelchev after a meeting of the SDS National Coordinating Council.

As a spokesman for the leadership of the blue [SDS] coalition, he was authorized to announce that the SDS National Coordinating Council considers every idea or opinion related to restructuring the political scene to be an attempt to topple the SDS government and change the balance of power in the parliament.

In connection with a certain statement made by the Movement for Rights and Freedoms [DPS] parliamentary faction, Nedelchev said that the coalition between the two political forces is a matter of pragmatism and neither would interfere in the internal affairs of the other. Nedelchev also said:

[Begin recording] When similar statements about restructuring are made, they are simply attempts to undermine a political system that was established as a result of democratic elections. This is an attempt to replace the political figures and those parties and organizations that have received the electors' vote of confidence. This vote was clear and categorical. If, nevertheless, this takes place by means of coercion, the SDS is prepared to set the date for special elections, which it will also win. Those who make timid or dramatic and drastic attempts to restructure the political scene somehow will lose again. They will simply remain outside the parliament, as our friends Petur Dertliev, Petko Simeonov, and others did. [end recording]

Supports Finance Minister

AU0909114892 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 9 Sep 92

[Text] If necessary, we will announce new elections, but Ivan Kostov will not be replaced. This was stated this morning by Mikhail Nedelchev, spokesman for the National Coordinating Council of the Union of Democratic Forces [SDS]. We will defend the Bulgarian Balcerowicz, he said.

At a meeting of the SDS parliamentary faction, Finance Minister Ivan Kostov has called upon all economic experts from the parties and organizations that form the ruling coalition to meet and express their critical remarks related to the current policy and propose alternative ideas. If Ivan Kostov fails to implement the decisions adopted by the SDS parliamentary faction, we will discuss the issue of his replacement, Mr. Nedelchev said.

Prof. Nikolay Vasilev, chairman of the Alternative Social Liberal Party, took part in the conversation with Nedelchev, which was carried this morning by the Khristo Botev Radio Network. He pointed out that for several months, his party has been insisting on convening such a meeting of economic experts to determine the government's economic policy.

Mr. Nedelchev said that the political agreement of the parties and organizations that form the SDS needs to be updated. The agreement should continue to be based on existing principles, but it must also set the limits within which the parties can develop their individual personality.

Prof. Vasilev proposed that each article of the SDS program be reviewed and its present implementation reassessed.

Chief Prosecutor Initiates Trenchev Investigation

AU1009101392 Sofia DEMOKRATSIYA in Bulgarian 3 Sep 92 p 1

[BTA report: "Konstantin Trenchev To Answer for Currency Crimes and Fraud"]

[Text] The Chief Prosecutor's Office has ordered an investigation into abuse of official position, currency crimes, and fraud committed by Dr. Konstantin Trenchev, president of the Podkrepa Labor Confederation, and other members of the Confederative Council.

In an announcement dispatched to BTA, the Chief Prosecutor's Office points out that as a result of an investigation related to Case NR 164-3/1992, it has been established that in addition to the crimes of defendant Svilen Marinov, former confederative secretary, crimes have also been committed by other officials, members of the Podkrepa Labor Confederation Confederative Council.

Prosecutor Investigates Former Finance Officials

AU0409195192 Sofia BTA in English 1607 GMT 4 Aug 92

[Text] Sofia, September 4 (BTA)—The Prosecutor General issued a decree on September 1, under which the investigation of the gross diversion of budgetary resources by former Finance Ministry officials was separated from Case No. 4 on the economic catastrophe caused by the communist regime.

Investigation proceedings were instituted against culprits who occupied top responsibility positions between September 5, 1972 and December 31, 1990.

The culprits committed abuse of office and exceeded their authority to obtain undue advantages for themselves and for other persons, raising and spending extra budgetary resources of the Finance Ministry to the amount of 1,000 million leva, the decree says. The diversion of funds had grave consequences and constitutes a serious crime under the Penal Code, which envisages a punishment of 3 to 10 years' imprisonment.

This is the fourth case separated from the larger case on the economic catastrophe caused by the communist regime.

Bank, Director Implicated in Oil Refinery Scandal

AU0809074792 Sofia BTA in English 1630 GMT 7 Aug 92

[Text] Sofia, September 7 (BTA)—First Private Bank and the Executive Director of the National Bank of Bulgaria Emil Khursev are implicated in the scandal with the Burgas-based Neftokhim Oil Refinery which has been led to the verge of bankruptcy, says General Bogomil Bonev, chief secretary of the Interior Ministry and chief of the special government commission of inquiry into the Neftokhim affair, in an interview in today's and tomorrow's OTECHESTVEN VESTNIK.

The National Bank decided that instead of the Banque Paribas (Suisse) SA, the costs on handling the World Bank tranche could benefit a Bulgarian bank. First Private Bank was among the selected ones. According to an analysis of the Neftokhim commission, direct payment costs are much higher than if channeled through Paribas. The National Bank's decision was not taken by its Governing Board but by its Executive Director Emil Khursev and by Governing Board Member Stoyan Shukerov. Interviewed by the government commission on Neftokhim, they said they wanted all costs to benefit Bulgaria. They did, but, as General Bonev says, the money went to First Private Bank [FPB] rather than to the public purse. The amount which FPB received has yet to be specified by the investigators.

General Bonev says the Podkrepa Labor Confederation has absolutely no grounds to accuse the National Bank and the Minister of Finance of being aware that the interest charged on the World Bank's dollar loan when converted into leva would be disastrous but nevertheless went ahead with an arrangement under which Khimimport should handle the deliveries funded by the loan so as to bring Neftokhim to bankruptcy. The most important thing is that at that time in Bulgaria the loan was no longer usable directly in foreign exchange.

In the second part of his interview, which will appear in tomorrow's issue of the newspaper, General Bonev says that it was not the World Bank oil that led Neftokhim to its crisis but rather "the deliberate decision of the company management or part of it not to pay back and to shake the state." General Bonev describes this behaviour as "disloyal, illogical and absurd." Bogomil Bonev also discusses the campaign launched by Podkrepa leader Konstantin Trenchev against Mark Rich. "Trenchev keeps saying that Mark Rich is an arch-grifter and crooked businessman, but the requests for his extradition have been turned down by Switzerland, Britain, Israel, Spain and a number of other countries," General Bonev says.

Zhelev Involvement in Weapons Negotiations Denied

AU1009091792 Sofia BTA in English 2053 GMT 9 Sep 92

["Today"—BTA lead]

[Excerpt] Sofia, September 9 (BTA)—In connection with a report in today's DUMA, according to which President Zhelyu Zhelev negotiated Bulgarian military supplies to Bolivia, Mr. Georgi Bozduganov, secretary of the government commission controlling the production and trade in military and special-purpose supplies, specified that so far the commission had not considered a proposal from the office of the president for arms deals with Bolivia. The Bolivian Government formally stated that it had not offered to buy arms from Bulgarian manufacturers, BTA learnt from the commission.

"The DUMA allegations are not true," presidential spokesman Valentin Stoyanov told BTA today. "The president has never and nowhere met and talked with any Bolivian officials whatsoever," Mr. Stoyanov said. [passage omitted]

Article Crticizes Dimitrov Attitude Toward Media

AU0809135592 Sofia DUMA in Bulgarian 4 Sep 92 p 8

[Tanya Geneva article: "Prime Minister Behaves as Emigre"]

[Text] Even the children understand that the prime minister does not like the Bulgarian press very much. This refers, at the least, to a large part of the major daily papers. On 2 September our people also understood that Mr. Filip Dimitrov does not want to have anything at all to do with the Bulgarian mass media. Actually, he will say something to them if they ask him humbly, but even this, God forbid, does not refer to any significant matter. The Bulgarian prime minister prefers (or is told to prefer) the foreign mass media for such matters—for example, Radio Free Europe [RFE]. Apparently, this is a more prestigious medium.

On 2 September, during prime time, Bulgarian Television carried an interview Filip Dimitrov gave to RFE. For the first time after the president's news conference we heard what the prime minister thinks about the criticism directed at the cabinet he leads. We understood that Bulgaria has a very stable government, but the president did not know it. The president's criticism was as relevant as last year's snow, and generally, it appears that Dr. Zhelev is not very well informed.... On the other hand, the president was calmed by the prime minister, who said that the Presidency is a stable institution and there was no need for out-of-term presidential elections.

Well, excuse me, but does Bulgaria have a government? If so, from where is this government directed? From Sofia, Munich, or Washington? What all this comes down to.... If we want to understand what the prime minister thinks about a fateful matter for our state, and if we are not satisfied with his verbal balancing act and "variations on various themes" conducted in the corridors of the Council of Ministers, we will have to ask our colleagues in foreign radio stations to inform us of his opinions. Indeed, this is what Bulgarian Television did on 2 September in its "In the World and in Our Country" program. Our television colleagues asked the Bulgarian Radio authorities to be admitted to the Bulgarian Radio building to hear what the Bulgarian prime minister of the Bulgarian Government said about the Bulgarian president to an American radio station.

Could all this happen in a normal state?

The prime minister could at least give that wretched interview, full of historical considerations, to DEMOKRATSIYA. Then the people would not have to wonder whether the Bulgarian Government has already emigrated. Consistently and tightly surrounded by special advisers with dual citizenship, Filip Dimitrov is beginning to resemble a prime minister in exile, or even something less than a shadow prime minister. This appears to be even more true against the background of the statement of one of those advisers close to the prime minister, who said that he will govern Bulgaria until "Zhelev is removed." Then he could calmly head for his home.

Daily Examines 'New Exodus' of Ethnic Turks

AU0909084792 Sofia DUMA in Bulgarian 4 Sep 92 p 6

[Radka Petrova article: "New Exodus Has Started in Krumovgrad"]

[Excerpts] Krumovgrad is the place where, in the spring of 1992, hundreds of Bulgarian Turks and their families departed for our neighboring country in the south. While there was no indication that the exodus would become a mass migration at first, no one could delude himself that it was an inoffensive excursion. The tobacco plantations were left to neighbors, relatives, or unknown purchasers. Dozens of buses took Bulgarian citizens to Istanbul, Izmir, Bursa, and elsewhere, and many of them returned empty because their passengers had used their tourist tickets to begin applying for permanent residence permits in Turkey. The Turkish Consulate in Plovdiv tried to issue as few visas as possible to applicants. This proved to be only a formal obstacle for those who intended to emigrate, however. [passage omitted]

The reason for this exodus is the psychological drama of an ethnic group that, while it has always lived in Bulgaria, has always longed to live in Turkey. In the past, the majority of Bulgarian Turks were ready to leave whenever they had the opportunity. During the totalitarian era only part of them managed to do so.

People who live in the area will certainly remember the message that came in 1964 saying that whoever wished to leave for Turkey could submit his documents to the Turkish Consulate. Hundreds of people from various parts of the former Kurdzhali Okrug were on their way. Both in the past and today the ethnic awareness of this population has always prevailed over their instinct of self-preservation whenever the question of emigrating to Turkey arose. For these people Turkey is "anavatan"

(which means the mother country). This was their conviction when they lived in poverty, and it did not change even when "socialist" construction literally transformed the Rhodope area, when roads were built to every hamlet, electricity was introduced, their children were given the privilege of higher education, and many special decrees for priority development of the area were issued. Despite all this, most Bulgarian Turks were only physically at home in Bulgaria, while their souls longed for the country across the border, for the mother country. No amount of material benefits provided for them in Bulgaria could change their longing to live in the mother country—a nostalgia that Ankara successfully encouraged. [passage omitted]

Today, Mustafa Yumer, mayor of Krumovgrad, tries to explain the recent mass exodus with the argument that the Communists are allegedly incapable of reforming, let alone becoming democrats, and this has made the people afraid of a new "national rebirth process"—of all things. Well, one of the mayor's opponents exclaimed: Considering that the Rights and Freedoms Movement [DPS] as a whole is full of former party secretaries and former Communists, how is it that they have changed so much? How can they even view themselves as a balancing force in Bulgarian political life today? In addition to this, the rights of Bulgarian Turks were completely restored after 10 November 1989. You can read this in all the reports by authoritative, international human rights organizations. Last, but not least, what should the Turks in the Krumovgrad area be afraid of since the real executive power belongs entirely to the DPS? It is rather the Bulgarians, being a minority in the area, who should be concerned about their security. This was always the case in regions with a mixed population.

Neither Ahmed Dogan nor anyone else is capable of persuading the Bulgarian Turks who are emigrating to Turkey with the firm intention of living there to change their minds. This is what neutral observers are pointing out, at least. Turkey's openly manifested concern about the Muslims in former Yugoslavia and about those from the Central Asian republics encourages the Bulgarian Turks to think that unless they leave for Turkey immediately, other Muslims might take their place. Three years ago all the Turks from the former Kurdzhali Okrug purchased all the necessary documents for obtaining foreign travel passports, well-informed sources disclosed. The fact that not all of them managed to leave is another question. As is known, the borders were closed on the other side. It is distressing to observe today how the people in those areas take their furniture, clothes, and all their belongings outdoors, piling it all up in their backyards. They sell these things to anyone who comes by for a few cents, only to be rid of the things they cannot or do not wish to take with them, after which they pack their suitcases and are off to the Turkish border.

Will this deplorable exodus ever stop?

Polls Reveal Public Views on Government, Economy

Cabinet Critics Outnumber Supporters

AU0509194592 Sofia BTA in English 1931 GMT 5 Sep 92

[Text] Sofia, September 5 (BTA)—The critics of Mr. Filip Dimitrov's government outnumber its supporters by just 4 percent, according to the latest sociological survey conducted by the National Public Opinion Centre, announced in the TV news and views programme Panorama this evening. 38 percent of those polled said they approved the cabinet's performance and 42 percent said they disapproved it.

Approached for comments on the poll, Mr. Filip Dimitrov, prime minister and leader of the ruling Union of Democratic Forces (SDS), and other SDS politicians reacted cautiously. They expressed mistrust in pollsters and particularly in the National Public Opinion Centre. "It is only natural that there should be people who want change," Mr. Dimitrov said in connection with the fact that 40 percent of the respondents advocate changes in the incumbent government. Deputy Prime Minister Ilko Eskenazi was not perturbed by the results, either.

Interviewed in Panorama, Mr. Ahmed Dogan, leader of the Movement for Rights and Freedoms (DPS), which defends the interests of Bulgarian Turks, reiterated the DPS position on the need of a new government or an overhaul of the incumbent cabinet. He evaded a direct answer to the question whether the DPS would resort to a motion of no confidence in parliament. "We will find formulas in the search of approaches to a replacement of the government," he said. Mr. Dogan went on to say that the parliamentary majority and especially the SDS should keep ready two to four cabinet lineups. "The next governments should be SDS, too, we would not allow any other, but one and the same people should not identify themselves with the SDS," the DPS leader said without naming names.

Mr. Nikolay Kamov of BSP [Bulgarian Socialist Party] confirmed the position of the former Communist Party that the negative view it takes of the cabinet is not targeted at the persons who make it up but at the policy which it pursues.

According to Mr. Aleksandur Yordanov MP [member of parliament], floor leader of the SDS, frequent cabinet changes delay the shaping of an idea of stability about Bulgaria.

Parliament has more critics than the government: 51 percent. The legislature gets 29 percent approval.

The most approved political figure is the president: 63 percent. 29 per cent of Bulgarians disapprove of Dr. Zhelev.

31 Percent Support SDS

*AU0509185392 Sofia BTA in English
1809 GMT 5 Sep 92*

[Text] Sofia, September 5 (BTA)—The ruling Union of Democratic Forces (SDS) would win if elections were held in August. SDS would poll 31 percent of the vote, ahead of the Socialist (ex-Communist) Party's 27 percent, according to the results of the latest opinion survey conducted by the National Public Opinion Centre. Since October 1991, when the SDS won the general elections, pollsters have been finding that the coalition keeps its lead over the former Communist Party.

Sociologist Kolyu Kolev of the National Public Opinion Centre, who announced the results of the poll on National Television this evening, described as "dubious" the methodology of the Bulgarian Association for Fair Elections and Civil Rights (BAFECR). In a statement criticizing the performance of the government last week, President Zhelev cited a BAFECR poll, according to which the Bulgarian Socialist Party would have polled 30 percent and the SDS 26 percent of the vote if elections were held now.

'Seriously Concerned' About Unemployment

*AU0809124192 Sofia BTA in English
0921 GMT 8 Sep 92*

[Text] Sofia, September 8 (BTA)—Bulgarians are most seriously concerned about unemployment. Fifty-seven percent of the respondents in a recent public opinion poll conducted in August by the National Public Opinion Centre said losing their job was a real and immediate possibility for them. A total of 36 percent of the respondents felt secure about their jobs.

Thirty percent of the respondents in July and 29 percent in August said they cannot earn enough for their own and their families' subsistence.

Comparing the current situation in Bulgaria with that of the previous year, 28 percent say things have improved, 22 percent see no changes at all, 45 percent say the situation is not bad and only 5 percent don't know.

Thirty-five percent of Bulgarians believe this country has fine prospects in the coming couple of years. Twenty percent believe the situation is not likely to change and 32 percent are rather pessimistic, fearing that "things will change for the worse."

Twenty-four percent of the respondents agree that the judiciary is independent of political power in Bulgaria, 43 percent disagree with this opinion, and 33 percent say they "don't know."

Thirty-four percent of the respondents believe that people are not likely to be arrested on political grounds in Bulgaria at present, 38 percent disagree with this opinion, and 28 percent "don't know."

Meciar Comments on 'Growing Mistrust' With Hungary

LD0909220792 Bratislava Slovak 1 Television Network in Slovak 1930 GMT 9 Sep 92

[Interview with Slovak Prime Minister Vladimir Meciar by Milan Sedlacek on board aircraft returning to Bratislava from Budapest on 9 September—recorded]

[Text] [Sedlacek] Mr. Prime Minister, it is 2047, and we are somewhere 5,000 meters above the Slovak-Hungarian border. You are returning from your first foreign trip during this term of office. If we were to sum up this whole day, we would have to start with the unofficial visit to the Union of Slovaks in Hungary. Was that visit some kind of preparation for the talks with the official Hungarian representatives?

[Meciar] We wanted to get acquainted with the view of this Union on our meeting and the situation in Hungary as such. This visit, or rather the meeting with this Union, was very depressing for me. Apathy, resignation, lack of will to fight, indifference—all that made me a little sorry, I was a bit sad. It certainly was not encouraging.

[Sedlacek] Did you speak about some kind of specific help from the Government of the Slovak Republic for our minorities here in Hungary?

[Meciar] When I was here in 1991, something was promised in this sense. We have made a revision of what had been done and agreed on the forms of further assistance. They need a lot of things, but first of all they must help themselves by increasing their awareness, by declaring their Slovak nationality, their allegiance to the Slovak nation, their allegiance to the minority, and by defending their own rights. We will help them, but the main burden is on their shoulders.

[Sedlacek] How much are they informed about what is happening in our Slovakia and in the CSFR?

[Meciar] Very badly. First of all, judging from the press, the media and the newspapers published by the Hungarian Republic, they are getting information from the radio and television of the Hungarian Republic. [as heard] Those in Budapest are better off. But, farther away, farther south, they are completely cut off from information from home.

[Sedlacek] You really had a lot of official talks today. First of all, you held separate talks with the Hungarian prime minister, then there was the plenary session, and then you were received by the Hungarian president. The issues that you spoke about were mainly Gabcikovo and the Hungarian minorities. Let us first return to Gabcikovo. You said that on the Hungarian side it is a political problem, while on the Slovak side it is a technical problem. Would you care to explain?

[Meciar] The parties that won the elections in Hungary have a majority in parliament today and their main pre-election slogan was a halt to Gabcikovo. That is why these parties adopted a parliamentary resolution in which they ordered the government to cancel the treaty. The government, even if it would like to do otherwise, can do nothing. It would lose the confidence of the parliament, and that could recall the government. So, the problem has become a political one and any kind of argument aimed at the government is useless because it would sign its fate if it acted otherwise. It has no other possibility than doing what it has done. That is why we proposed a solution in the form of interparliamentary consultations, the transfer of the debate from political ground to expert ground, and that with the participation of a third party, the European Community, which should have the role of specialists, advisers for both sides.

[Sedlacek] Your wish, therefore, was to depoliticize the whole issue of Gabcikovo. Have you succeeded in doing so?

[Meciar] With the Hungarian Government, yes. I spoke with some parliamentary deputies and some of them are beginning to see things differently, but still a tendency to follow the old line remains.

[Sedlacek] Let us now talk about the Hungarian minority in Slovakia. You talked about it a lot. What did you agree about?

[Meciar] The arrangement of relations between the Hungarians and the Slovaks in Slovakia is their affair. Nobody can do it for them. Further on we agreed that we will not conclude bilateral agreements, but that the question of international interests will be solved within the framework of the CSCE in Europe because it is a multidimensional problem. Two cannot solve it. We have to agree on those rules that will be valid for the whole of Europe, not only how Hungary behaves in relation to other states.

Another important element is to prevent misinformation. An impartial commission will be appointed by the government which will carry out verification, as well as mapping out the problems of the relations and life of minorities in Slovakia. Similarly, we will do it for them. If one or the other side should prove that an infringement occurred or is occurring, we will submit the materials for screening to their appropriate commissions as a complaint to the other side while asking that, within the framework of a European dimension, they be discussed.

We always have advocated that this problem be solved on a multinational principle, not a bilateral one. We agree with this conclusion, so that it is this actual policy that should be adhered to. At the same time, we have drawn attention to the differences between our view of the position of national minorities within the framework of human and civic rights and European norms and what European norms are and the interpretation of political aims as submitted in Slovakia by Eguytteles and the Hungarian Christian Democratic Movement, which does not correspond to European norms.

[Sedlacek] Those were the two main spheres of problems which you discussed. What else did you discuss?

[Meciar] Naturally, we dealt with all spheres of relations between Hungarians and Slovaks in the future—strategy, both political and economic, toward European communities, strategy toward the Central European zone, toward the Central European initiatives. We looked for ways toward improving trade cooperation, cooperation in banking, in construction of roads, joint projects. We discussed defense matters, security matters. We discussed cooperation between different spheres and the mechanism which would make this cooperation easier. We also discussed the possibility of development of relations in the future, that is interstate relations and also the possibility of drafting a treaty between the Slovak Republic and the Hungarian Republic on good neighborly relations and mutual cooperation and assistance.

[Sedlacek] If the Slovak Republic really wants to enter the European Community together with the Hungarian Republic, then cooperation with it will have to be very close indeed. Has your visit fulfilled your expectations?

[Meciar] Above all there was the intention of the Hungarian side, quite clearly shown, to halt the growing mistrust. They [Hungarians] clearly wanted to show their positive intentions to be on good terms with us. They wanted to clearly demonstrate their noninterference in the internal affairs of the Slovak Republic, and they have done so. In the course of private talks, personal assurances have been given by both sides on how we would act together in various spheres. Cooperation between governments is being extended to political parties and here we have agreed on something and we also are striving now for cooperation between parliaments.

In the present circumstances, I think, we could not have achieved any more. Most mass media in Hungary expected that the visit would be very confrontational, but they were surprised that it was so positive and that reactions and results were achieved as we reported to them at a news conference.

Czech Prime Minister Interview on Defense, EC

LD0909174892 Prague Stanice Praha Radio Network in Czech 1700 GMT 8 Sep 92

[Interview with Czech Prime Minister Vaclav Klaus by correspondent Vaclav Musilek; place and date not given—recorded]

[Text] [Musilek] Prime minister, during our regular conversation last week we talked about customs, payments, and monetary union. The Armed Forces are also among those things about which it is being said that they should in essense remain common to both Republics. Is this realistic in your view?

[Klaus] There has been a great deal of misunderstanding here about these matters. As you have just said, customs union—yes, payments unions—yes, monetary union—on the contrary, with the greatest probability, no. The same answer applies to a defense union and from this naturally arises—I do not know how it is appearing continuouslly at present in the media—No to joint Armed Forces. I fully understand that joint Armed Forces would suit the present army lobby, all generals and officers with all this enormous intertwining of Slovak officers in the Czech lands and on the contrary Czech officers in Slovakia. I believe that there exists a strong army lobby which would be glad if some kind of a curious federative shell remained, formed precisely by Armed Forces, even if the Federation dissolved. The answer is really no and I hope that no one interprets the political agreements which we have reached with the Slovak side so far in such a wrong way.

When we say no to common Armed Forces this naturally does not mean that in such a complicated matter like the Armed Forces it will be possible to have all materials ready by 1 January. [passage indistinct]

[Musilek] Prime minister, disintegrational trends in central and eastern Europe, including in Czechoslovakia are frequently contrasted with integration in western Europe, although that integration is not proceding in a straight line. On the contrary, the Community itself is wrestling with many problems. What might the present state within the EC imply for us?

[Klaus] I am always asked when we are going to or when we intend to enter, or when will we be accepted into the European Communities. I always reply: How can a country which is currently disintegrating talk about this matter. This is not the right moment to answer a question on this matter. It is not necessary to (?contend with this matter in the Czech lands) for we will be wiser in spring of next year. This is one thing. Equally, it appears to me logical that the EC, which by approving the Maastrich agreements accelerated—and it would appear that they accelerated the natural integration trends in western Europe too much; so much so that they also are having certain internal problems. [sentence as heard] The Danes said no. The French are having a referendum on the Maastricht treaty on 20 September. We see enormous problems in Germany itself, and so on. Therefore, I think that it is impudent if on our side we talk about and stress the instability of the European Community. This is a reality, however. Look at the development of the European monetary system as a result of the fall of the U.S. dollar via-a-vis the German mark, the impossibility of other currencies within the European monetary system revaluing in terms of dollar. [as heard] Enormous problems have arisen for the French frank, for the lira, and for the pound. Central banks have been intervening with purchases amounting to many billions merely to maintain the current European monetary system. Therefore, we view the fall of the dollar against the mark as indicating an enormous difference in economic conditions in present-day western Europe. This means that the European monetary system will hardly be able to cope with this and the attempt to harmonize and unify it

further, as proposed by Maastricht, seems to me as almost insoluble. Therefore, I also see problems on the other side.

[Musilek] Addressing the London conference on Europe and the world after 1992, Jacques Attali, president of the European Bank for Reconstruction and Development, spoke in favor of the radical liberalization of trade relations with central and eastern Europe and accused EC member countries of dealing with Czechoslovakia, Hungary, and Poland as if they are potential rivals for EC membership and not as if they are potential members. Do you hold a similar view?

[Klaus] I have to say that Jacques Attali is a good personal friend of mine and the tie I am wearing today is from him. By this, I only want to demonstrate our good personal relations. Otherwise, on some occasions we do not always see eye to eye on economic and political matters. Nonetheless, I greatly welcome his position. I especially welcome the fact that apart from the sentence you quoted he also said something else. He became very angry with the countries of the European integration for introducing restrictions on the export of Czechoslovak steel to the EC. He said that the overall share of Czechoslovak steel in European consumption of steel amounts to 1 percent at most. Therefore, if 1 percent is causing them such difficulties this is truly not an example of accommodation. Therefore, when I next meet Mr. Attali, which I hope will be next week within the framework of the meeting of the IMF and the World Bank in Washington, where I will appear briefly in the role of someone who is going to hand over his office to our new representatives, I would like to thank him for this a great deal.

[Musilek] Let us return to the domestic arena. During the weekend, we witnessed another attempt by the right to bring about some kind of integration. This happened on the initiative of the Club of Committed Nonparty Members. The Civic Democratic Party [CDS] did not attend that meeting. Does this mean that you do not expect anything from such a course of action, such an integration by the right?

[Klaus] In the first place, I would like to say that we received the invitation shortly before the meeting took place. At the same time, we held a meeting in Libohost attended by the 35-strong leadership of the CDS. Our failure to attend was really rather an unintentional mistake. It was not well thought out organizationally. In the second place, calls for the unification of the right and for doing away with the fractions on the right was the main subject for the CDS during the election campaign and it naturally remains the main problem also today. And if I call for something then it is for the unification of the right. The fact that we failed by accident to attend a meeting which was held within the framework of a series of meetings—one was held a month ago, the second will be held either tomorrow or day after tomorrow—is not at all a reason for speculation and for believing that we have something against the unification of the right. What surprises me is that one should draw some conclusions from a failure to attend one of a series of meetings. [passage indistinct]

Klaus Says 'No Joint' Military Command Planned

LD1009153192 Hamburg DPA in German 1359 GMT 10 Sep 92

[Text] Prague (DPA)—Following the dissolution of the CSFR, which is planned to take place at the beginning of next year, there will be no joint army or joint supreme command, contrary to initial agreements. The Czech Prime Minister Vaclav Klaus stated this in an interview on First German Television (ARD) on 10 September. However, it was questionable whether the present joint army institutions could be divided up between the republics by the dissolution date (1 January 1993). Initially, the Czech and Slovak negotiating partners had agreed on a joint supreme command.

At the same time, the Czech head of government expressed doubt about whether there would be a currency union between Slovakia and the Czech Republic. There would, however, be the agreed customs union between the two republics. Klaus thinks that the former CSFR President Vaclav Havel will also be the first president of an independent Czech Republic.

Moravcik Meets Delors, Woerner in Brussels

AU1009131892 Prague CSTK in English 0827 GMT 9 Sep 92

[Text] Brussels [dateline as received]—The European Community's (EC) provisional association agreement on trade with Czechoslovakia will be extended before the Federation dissolves at the end of the year, according to Czechoslovak Minister of Foreign Affairs Jozef Moravcik.

Moravcik, along with Czech Deputy Minister of International Relations Pavel Bratinka and Slovak Ministry of Foreign Relations Representative Peter Mihok, met here yesterday with EC President Jacques Delors and Vice President Frans Andriessen.

After Czechoslovakia breaks up, both republics will continue in full compliance with the association agreement, whose contents should be carried over to both republics, Moravcik told CSTK after the talks.

"Andriessen and Delors said, however, that ratification of the association agreement will not come under consideration before the end of the federation", Bratinka said.

Moravcik, Bratinka and Mihok also met with NATO General Secretary Manfred Woerner and representatives of NATO member states to discuss the Conference for Security and Cooperation in Europe (CSCE) and the political and economic connection to the break-up of Czechoslovakia.

Moravcik said in the discussions that there is great hope for a customs and defense union between independent Czech and Slovak Republics.

Bratrinka said, however, that there is not very much optimism about a customs union, and a defense union is all but excluded for technical reasons.

Moravcik assured Woerner that both new states will honour all previously accepted obligations.

Federal Official Comments on Diplomatic Changes

LD1009083992 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 8 Sep 92

[Excerpts] One of the topics often discussed these days are the principles on which diplomatic corps representatives will be selected. The principle of proportional representation observed until now will allow for a parity system. As the issue has made information waves recently, we decided to give space to Karel Kovanda, director general of the administrative section at the Federal Ministry of Foreign Affairs, and Alojz Nemethy, who is an adviser to the Slovak minister of international relations. Anna Korbova spoke to the two officials over the phone.

[Begin recording] [Korbova] What changes are there in the pipeline for diplomatic circles in the near future?

[Kovanda, in Czech] The main task of the foreign service is now to fulfill the government's policy statement which asked for the diplomatic service to become based on parity, especially at embassies as the main places of representation. We are talking about the ambassador and his deputy. According to this viewpoint, above all when filling new vacancies there must be parity in the representation [of Czechs and Slovaks].

[Korbova] What is the ratio between the ambassadors hailing from Bohemia and Slovakia at the moment?

[Kovanda] At the Federal Ministry of Foreign Affairs we have always strived to make the set-up of ambassadors correspond to that of the CSFR. I would say about one-third of our ambassadors are from the Slovak Republic. [passage omitted]

[Korbova] What principles of placing diplomatic staff will be adopted? Will it be parity or proportion after 1 January 1993?

[Kovanda] It is still unclear to us today whether there will be two diplomatic corps, or whether there will be a Czechoslovak union which might have a single diplomatic corps. Our internal preparations are aimed at the most complex option, which would mean two diplomatic services. If there is a Czechoslovak union, we have not yet finalized whether the principle of representation would be parity of 2 to 1.

[Korbova] Can you estimate the cost of changing a part of the diplomatic corps?

[Kovanda] I don't have the total. Every replacement of a diplomat, and certainly of an ambassador, costs hundreds of thousands. [passage omitted] It is not unusual for the costs of replacing one ambassador reach half a million korunas. [end recording]

[Announcer] So much for Karel Kovanda from the Federal Ministry if Foreign Affairs. And now the view of the Slovak side:

[Begin recording] [Korbova] Has the Slovak Ministry of International Relations worked out a list of possible diplomats?

[Nemethy] Yes, naturally it has. We have been conducting direct talks with the Federal Ministry of Foreign Affairs and the Czech Ministry of International Relations. [passage omitted] [end recording]

'Secret' Plans Outlining Army Demands Cited

AU0909114592 Prague RESPEKT in Czech No. 35 31 Aug-6 Sep 92 p 4

[Jaroslav Spurny article: "Preserving the Arms Industry; Secret Ministerial Plan for Equipping the Army With Weapons Until 1997"]

[Text] Last week the Federal Government was to discuss at its regular meeting a remarkable material—a Ministry of Defense proposal for arms deliveries to the Czechoslovak Army until 1997 and the Army's demand for preserving the state's participation in designated Czechoslovak arms factories. Although this material was eventually withdrawn from the agenda, it confirms, nonetheless, what RESPEKT wrote in its issue No. 32: The Army is behaving as though the Federation were to stay forever.

Joint Reequipment Even After Partition

According to the agreements concluded by the Civic Democratic Party [ODS] and the Movement for a Democratic Slovakia [HZDS], two independent republics should be established effective 1 January 1993. The Army, however, will supposedly be common for another two years. Such are the ideas of the two strongest parties. However, according to Army experts no one knows what the reality will look like. For the time being, the ODS and the HZDS agreed that each republic would contribute a certain sum from its budget to the operation of the Ministry of Defense. However, to this day it is not clear according to which formula they will do so. Two-thirds of the sum should, perhaps, be paid by the Czech Republic, yet most of the money will be spent on troops stationed in Slovakia. The two states will be independent, however, and the will to pay for someone else is bound to be minimal.

Let us return to the plan of the Federal Ministry of Defense [FMO] for the gradual re-equipment of the

Army, leaving aside the fact that the draft goes far beyond the time frame set for the definitive partition of the Army.

The Army received 28 billion korunas from the federal budget for this year. Of this sum, more than one billion is earmarked for nonmilitary purposes—subsidies for top-performance sports and civil defense. The remaining sum is just enough to "keep the Army going," according to military economists. It will be spent on the salaries of soldiers and civilian employees, capital investment, maintenance of military hardware to keep it operational, and maintenance of the Army's combat readiness. According to military economists, it has not been possible to allocate from the Army's budget any funds for modernization.

Missile Systems Without Missiles

The proposal for the re-equipment of troops drafted by the FMO is based on an analysis of the current state of the Czechoslovak Army's equipment. According to this analysis, "the arms and equipment of the NATO armies are of a substantially higher standard while in the neighboring former Warsaw Pact member states they are of a comparable standard. However, there is a tendency in these countries to modernize air defense, antitank defense, and tank and aircraft technology." The report goes on to speak about matters that have been known for a long time: Our communication equipment comes from the fifties and sixties, most aircraft and tanks are not equipped with the requisite electronics, the missile systems use outdated ammunition and their range is inadequate. Equally outdated are the automobile technology and the engineering and health care systems, the Army's supply system is virtually inoperative, and the only modern missile system that the Army owns does not have any missiles.

The FMO has therefore drafted two alternatives for financing new equipment—a functional alternative and a minimal one. Both alternatives require money beyond the framework of the regular Army budget. The FMO recommends the adoption of the functional alternative, otherwise there is supposedly the danger of "a gradual collapse of the Army's arms and technical systems."

According to this functional alternative, roughly 58 billion korunas will have to be invested in equipment over the next 5 years. The draft does not specifically break down for which equipment the money is needed; it only mentions aircraft, artillery and missile systems, guided antitank missiles, and radio electronic warfare devices. The minimal alternative (which requires 42 billion korunas) supposedly provides only for the physical replacement of weapons. The FMO predicts that, in the event of the adoption of this alternative, the Czechoslovak Army will soon trail technologically behind its former Warsaw Pact allies.

Keeping Arms Factories in State Hands

The Army intends to "purchase weapons chiefly from Czech and Slovak producers" but it does not reject "foreign firms that will cooperate with Czech and Slovak enterprises," either. Representatives of the French, Italian, and Indian Armies have reportedly already shown interest in cooperation in the production of arms.

The FMO (apparently in association with the arms industry lobby) recommends in its draft that the state retain at least some participation in the ownership of designated arms industry enterprises: "Demands for the preservation of state influence in the arms industry in the process of large-scale privatization were communicated to the [Czech and Slovak] privatization ministries and national property funds in April 1992."

The soldiers' interest focuses mainly on companies producing military equipment of world standard: ZTS [Heavy Engineering Works] Dubnica nad Vahom, which manufactures "Ondava" cannon howitzers and "Strop" air defense systems; Konstrukta Trencin, which supplies the Army with artillery observation posts and artillery fire control systems; and Tesla Pardubice, which manufactures the "Tamara" defensive radar system.

Other enterprises in which the FMO wants current arms production to be retained are so-called mass suppliers of the Army: ZVS [General Engineering Works] Dubnica nad Vahom, which manufactures guided antitank missiles and artillery ammunition; Zbrojovka Uhersky Brod, which manufactures 9-mm caliber pistols; Zeveta Bojkovice, which supplies the Army mainly with hand grenades; and Gumarny [Rubber Works] Zubri, which manufactures chemical warfare defense devices.

The FMO claims that, if its demands are not met, "the Army will not be able to fulfill set tasks, the arms supply system will break down, there will be a shortage of training resources and spare parts, it will be necessary to scale down the Air Force, and it will not be possible to meet any of the set program targets."

A number of questions comes to mind when studying the Army draft, the most important of which is whether the entire project is meaningful in the first place. One year from now the republican armies will have not only different concepts of armament but also different interests.

Minister of Defense Imrich Andrejcak has confirmed the existence of the document: "It has not yet been discussed in the government. In a somewhat modified form, the material will first be submitted to the State Defense Council. I cannot say more than that because the material is secret."

CSSD Wants Referendum, Will Oppose Termination

AU1009131792 Prague CSTK in English 1220 GMT 8 Sep 92

[Text] Prague Sep 8 (CSTK)—The Czechoslovak Social Democracy (CSSD) will reject a bill on ending the

Czechoslovak Federation if it contains any other possible ways of its split but by a referendum, CSSD deputy to the Federal Assembly Ivan Fisera said at a CSSD press conference today.

He sharply criticised the calling of the next, extraordinary, session of the federal parliament which is to deal with state setup issues for 1:00 P.M. Friday [11 September], saying it is a "moral slap in the face of both the citizens and deputies who want to solve these serious problems".

The bill on ending the federation is to be discussed in the parliament this fall, following the August 26 agreement between the country's leading political parties, the Czech ODS [Civic Democratic Party] and the Slovak HZDS [Movement For a Democratic Slovakia], on dividing Czechoslovakia into independent Czech and Slovak Republics as of January 1, 1993.

Grain Harvest To Fall 700,000 Tonnes 'Short'

AU0809155592 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 3 Sep 92 p 4

[Hana Hanzlova article: "Domestic Grain Production Will Not Suffice"]

[Excerpts] According to Czech Statistical Office data, August estimates of per-hectare yields of all grain crop varieties are lower than the July estimates. More specifically, winter wheat is expected to yield in the Czech Republic a per-hectare average of 4.54 tonnes, winter barley 4.36 tonnes, spring barley 3.78 tonnes, oats 3.17 tonnes, and rye 3.62 tonnes. The dry weather has thus had a greater impact on this year's harvest than originally assumed.

It transpires from information obtained from Engineer Josef Janus, head of the fodder and cereals division of the AGROPOL shareholding company, and Engineer Jaroslav Novak, secretary of the Czech-Moravian ZZN [Agricultural Supplies and Procurement] that, unless livestock herds will be reduced further, the Czech Republic will be short of some 700,000 tonnes of grain that it would need to cover needs until the next harvest.

"The amount of grain procured by ZNN enterprises thus far is 30 to 40 percent lower than at the same time a year ago," Engineer Josef Janus told us. "This is due not only to the generally lower grain harvest (according to estimates, it will lag more than 1.1 million tonnes behind last year's harvest) but also to the slower pace of procurement, particularly in Moravia. Farmers behave in a market-conforming way and keep delaying sales on the assumption that prices will increase." [passage omitted]

Considering the generally lower production of grain crops, including corn, and the level of stocks as of 30 June 1992, overall grain supplies will be only 6.6 million tonnes. On the other hand, the aggregate needs of mills and bakeries, breweries and malt plants, feed mixture producers, livestock farmers, seed growers, and so forth represent some 7.3 million tonnes. Given this expected shortfall, the question arises whether the Czech Republic should export bread wheat that has been purchased for this purpose from growers at preferential intervention prices. "It would be a pity if we wasted this chance for profitable exports," says Novak, "because we can get up to $130 for a tonne of bread wheat abroad. The level of fodder grain prices, on the other hand, is generally lower. From the national viewpoint, it would be advantageous to sell our top- quality bread wheat and to use the proceeds to purchase a greater quantity of cheaper fodder grain. [passage omitted] However, the customs barrier for fodder grain imports is disadvantageous for us this year. Unless a way to lower this barrier is found, we may have no choice but to feed some bread grain to livestock." [passage omitted]

The expected harvest of winter rape, 298,619 tonnes, too, is almost 15 percent below last year's level. The average per-hectare yield of this oil-bearing crop is estimated at only 2.19 tonnes, compared with last year's 2.74 tonnes. [passage omitted]

Romanian Charges of Embargo Violations Denied

AU0909150692 Budapest MTI in English 1727 GMT 7 Sep 92

[Text] Budapest, 7 Sep (MTI)—Customs authorities in Hungary today denied Romanian allegations that they violated a UN embargo when they let Hungarian petrol tanker lorries cross the border into Serbia early this month.

The 12 tankers had all the necessary licences, and the customs authorities have not violated any regulations, a National Customs Command official said, responding to an article published in the Romanian weekly ADEVARUL (TRUTH) today.

According to ADEVARUL, the tankers originally wanted to go to Yugoslavia via Romania, violating the sanctions imposed on Serbia and Montenegro by the UN.

The Hungarian customs official said the 12 tankers, carrying a consignment destined for Macedonia, first tried to cross the border into Serbia at Roszke, but failed to do so as their registration numbers had not yet figured on the licensing list.

The list contains registration plate numbers of goods transport vehicles licensed by the Hungarian International Economic Relations Ministry (IERM) to transport their consignments to various destinations via the rump Yugoslavia.

After being sent back from Roszke, the tankers drove to Nagylak, on the Hungarian-Romanian border, where Hungarian customs officials let them cross as by that time they had received the list confirming the IERM licence.

Romanian customs authorities, however, turned the tankers back, probably because they found the vehicles suspicious as the documents showed their earlier failure to cross the border at Roszke.

Finally, the tankers drove to Roszke again, where they were then able to cross the border, the Hungarian customs official said.

Ministry Official Views Relations With Slovakia

AU0809181292 Budapest MAGYAR HIRLAP in Hungarian 31 Aug 92 pp 1, 4

[Interview with Ivan Baba, Foreign Ministry deputy state secretary, by Ivan Scipiades; place and date not given: "Hungary Could Be Among the First To Recognize Slovakia"]

[Excerpts] [passage omitted] [Scipiades] Foreign Minister Geza Jeszenszky will leave for Bratislava this week, probably to prepare Slovak Prime Minister Vladimir Meciar's visit in Budapest scheduled for 9 September. However, there was no such ministerial preparation prior to the visit of the Czech prime minister in August. Why is such a preparations needed now?

[Baba] There are no problems in the Czech-Hungarian relations that would have required the preparation of that visit, but in Slovak-Hungarian relations it would be preferable to reach a compromise on the Bos River dam issue as soon as possible. That is why we thought such a trip would be useful. In addition, Mr. Klaus was accompanied by his foreign minister, Mr. Zieleniec, who held separate talks with Jeszenszky here; in other words, a contact has been made. There are no plans for the Slovak foreign minister to accompany Meciar on his visit in Budapest.

[Scipiades] Does Jeszenszky intend to basically talk about Bos?

[Baba] Not basically. Basically, the goal of his trip is to hold talks with the Slovak foreign minister, because the two foreign ministers have not yet met. [passage omitted]

[Scipiades] Will they talk about Hungary recognizing the future independent Slovakia?

[Baba] Probably, and I think this is not an issue because if the international community recognizes the future independent Slovakia, Hungary will also recognize it. I cannot yet tell whether Hungary will be among the first to recognize it. However, in principle, I do not see any obstacle to such a recognition. If the Slovak leadership accepts all the principles that are at the basis of the political cooperation in Europe today, there will be no obstacles whatsoever for both the European and international community to recognize Slovakia. Hungary could even be among the first to recognize Slovakia.

[Scipiades] Do you think that, by being among the first to recognize Slovakia, Hungary could facilitate a more favorable solution to Slovak problems in our bilateral relations?

[Baba] Hungary's international position is not bad, but it would be a mistake to believe that this position can be directly turned into anything positive in bilateral relations. We are just beginning to build the Hungarian-Slovak relations on an international level, and it is not our goal to put pressure on the Slovak Government. Our goal is to try to learn each other's concepts through an open communication process and to reach a compromise acceptable for both sides on every issue, including the issue of Hungarians in Slovakia and the Slovaks in Hungary.

[Scipiades] It transpires from the declarations of Slovak leaders that Bratislava would probably appreciate it if Hungary were among the first to recognize independent Slovakia.

[Baba] I can clearly point out that we have never endeavored to isolate Slovakia to any extent or to try to force Slovakia out of the international economic, political, and diplomatic community. There are political partners in Slovakia with whom we can talk, even if we do not agree on everything; moreover, there are issues on which there are serious differences of views between the Hungarian and Slovak political thinking. However, these

are not differences of views that could force the Hungarian political leadership to question the recognition of Slovakia.

[Scipiades] Do you agree with the opinion that the current Hungarian-Slovak relations are conflict-ridden?

[Baba] No. Although there are many problems in our current bilateral relations, only one problem is serious, namely the bad heritage, the Bos-Nagymaros issue. All the other issues can be solved through negotiations and laborious consultations. For example, there is the interpretation of the national minority issue. We think that there are unsolved problems in the issue of Hungarians in Slovakia, but the Slovak Government also thinks that there are unsolved problems in the case of the Slovaks in Hungary. This is a complex range of problems that cannot be solved during one negotiation session, but this problem can be solved, so it is not a conflict. I do not know of any other issue in which we have serious differences of views.

[Scipiades] Does that mean that the Bos issue cannot be regarded as a conflict?

[Baba] Not at all.

[Scipiades] However, in his letter addressed to the CSFR federal prime minister in August, Hungarian Prime Minister Jozsef Antall calls the Bos issue a conflict.

[Baba] I think this term was unfortunate. The word "conflict" means something else in international politics and diplomacy. It is used to depict much more serious problems.

[Scipiades] Do you see any chance of finding a solution to the Bos problem during Meciar's visit to Budapest or later, so that there will be no need to turn to the International Court in The Hague?

[Baba] Yes, I do. We are ready to solve the issue on a bilateral basis, without turning to a third party, either the Court in The Hague or the EC. [passage omitted]

[Scipiades] Is it possible that Slovakia will be able to implement its European integration endeavors without having to compromise on issues that Hungary regards as sensitive?

[Baba] It is unimaginable for us that we will only solve the issues that are easy to solve, while sweeping those issues that are uncomfortable for one side or the other under the carpet. I do not think that such tactics would be successful on either side. [passage omitted]

[Scipiades] From an economic point of view, Slovak independence is mostly a blind flight. Do you think about the consequences of Slovak independence for Hungary? Have any forecasts been prepared regarding this?

[Baba] Such forecasts have naturally been prepared. These events are attentively followed by our Ministry of International Economic Relations, the Industry and Trade Ministry, the Finance Ministry, and the Foreign Ministry. It is highly probable that the Slovak-Hungarian economic relations will flourish and that interdependence will increase. [passage omitted]

Slovak Prime Minister Meets With Antall, Goncz

LD0909170592 Budapest MTI in English 0556 GMT 9 Sep 92

[Text] Budapest, September 9 (MTI)—Slovak Prime Minister Vladimir Meciar arrived in Budapest on Wednesday [9 September] morning for a one-day official visit. While in Hungary, Meciar will meet members of the Slovak community here and hold talks with his host, Prime Minister Jozsef Antall. President Arpad Goncz is scheduled to meet Meciar in parliament in the afternoon. Antall and Meciar are expected to hold a press conference after their discussions.

Antall, Meciar Discuss Ties

LD0909201892 Budapest Kossuth Radio Network in Hungarian 1630 GMT 9 Sep 92

[Report by Evelyn Forro on news conference held by Hungarian Prime Minister Jozsef Antall and Slovak Prime Minister Vladimir Meciar in Budapest on 9 September]

[Excerpts] Slovakia has rejected the Hungarian request that it should halt the construction of the Gabcikovo water barrage. The construction will be continued. However, Slovak Prime Minister Vladimir Meciar and Hungarian Prime Minister Jozsef Antall have agreed to set up an interparliamentary committee that will deal with the dam not from an ideological, but, as Meciar said, a strictly objective viewpoint. This proposal will be submitted to the Hungarian and Slovak parliaments, and the two legislative bodies will make the decision. Another joint committee will be formed to examine the navigability of the Danube. Another team of experts, in which, apart from Slovak and Hungarian experts, an EC representative will also participate, will study the ecological consequences.

Meciar believes that it is not worth turning to the International Court in the Hague because for the time being the Gabcikovo affair belongs to the sphere of authority of the federal government. Although from 1 January, after the separation, the matter will be in Slovakia's competence, it will be a long time before Slovakia can become a partner, as he put it. Meciar noted that Gabcikovo has been a significant, but not a decisive factor in the talks.

On behalf of our station's "Extra" program, I asked Vladimir Meciar to what extent the Slovak government is issuing state bonds to finance the Gabcikovo water barrage. He answered that the decision on this was made yesterday, but they want to finance not only the dam, but the budget deficit in general. This is an opportunity for construction completion, he said. So far, 20 billion korunas [Kcs] have been invested in the water barrage.

He believes that state bonds in the value of no more than Kcs3 billion will have to be issued.

A committee will also be set up to study the nationality issue. The Slovak head of government stated that they regard the national minority as their own treasure and it should not be forgotten that they are Slovak citizens, therefore the Slovak government is entitled to guarantee their rights. Slovakia complies with the international norms in the treatment of minorities, Meciar said, adding that he does not consider the conclusion of a bilateral agreement with Hungary as necessary. The experts' committee that will examine the situation of Hungarians in Slovakia and Slovaks in Hungary will submit a report to the CSCE.

Meciar, like Jozsef Antall, is dissatisfied with the development of economic relations because they are not making proper use of opportunities. Meciar would like a meeting between the Slovak and Hungarian economic ministers soon to discuss cooperation in investment and banking. The idea of a possible joint bank in Slovak Komarno was also mentioned.

The Slovak prime minister also said that the two countries must not compete over which of them will join the EC first. They should strive for good relations up to that time, too. Meciar mentioned that some people hve tried to play the Hungarian card, but sober voices have been heard from Hungary and he could make sure now, too, that Hungary does not want to change the borders. The important thing is that there should be no distrust or suspicion between Slovakia and Hungary, Meciar said.

Prime Minister Jozsef Antall emphasized that he agrees with what his Slovak colleague said, thus he will only supplement what was said. At the beginning of his remarks, he expressed his views on the split of Czechoslovakia.

[Begin Antall recording] Throughout the process of the Czech and Slovak split, Hungary has behaved in a way that ensures that it could not happen, either from the Czech lands or from Hungary, that Hungary would want to make some kind of political gain from this. [sentence as heard] For this reason, I was pleased when Prime Minister Meciar expressed thanks for our behavior; we thus prevented anyone from using the picture of the Hungarian community as an enemy, for which there have been so many examples during the course of our history and in the past decades. Until the Czech-Slovak split became a fact, officially, as a process and as a planned and concluded fact—by year end—we naturally behaved in an extremely restrained manner. When it became clear, when then President Havel informed me about the facts in Helsinki, Hungary maintained contact not just with the federal government, but with both the Czech and the Slovak governments. [passage omitted]

It is a fact that Slovakia, which is becoming independent and sovereign, will be our neighbor. We are pleased that the Slovak prime minister's first official visit has been to Budapest. Furthermore, I would like to state that Hungary has an interest in Slovakia being part of the European processes, part of European integration, and after concluding the process of separation, the question of being an international legal entity and the question of legal succession should be settled as soon as possible. [end recording]

Jozsef Antall also spoke about the economic relations of the two countries, as well as the nationality question. One of the issues awaiting a solution at the talks that has burdened relations between the two countries for a long time is that of the Gabcikvo water barrage. As transpired from Jozsef Antall's remarks, they did not manage to find a final resolution now either.

[Begin Antall recording] We will set up a parliamentary committee that will look at general economic and other contacts, and at how we can make these as intensive as possible. Similiarly, as he [Meciar] mentioned, I can confirm, that we will also propose the setting up of a committee in our parliament—and obviously the prime minister would propose this to the Slovak parliament—in which.... [Antall changes thought] A parliamentary committee could be formed, taken from certain interested committees of our parliaments that would continually study the question of the Danube power station, for only such a committee, that could examine these questions from every aspect, could reassure the interested parties that it is happening in a completely objective way, entirely through taking all the facts and all the aspects into account. Thus, in this respect, we will make a proposal for setting up these two parliamentary committees.

The different stance mentioned by the prime minister is similarly connected to this question. The stance of the Hungarian Government and the Hungarian National Assembly is that it considers the 1977 interstate agreement about the building of the Boes-Nagymaros power station as terminated. The Slovak government does not accept this stance. [passage omitted]

Therefore, Hungary proposed that, precisely to prove our goodwill, we should turn to the International Court at The Hague, both on the question of the abrogation of the 1977 interstate agreement and on the question of violation of the state border because of the C version. In the current interim period, while the federal government is still the legal representative of Czechoslovakia as a whole, we have agreed on trilateral talks on this question; that is, the Czechoslovak Federal Government, the government of the Slovak Republic, and the Hungarian Government will examine the question together and subsequently will submit it to the International Court at The Hague.

Naturally, if the split of the Czech land and Slovakia occurs on 1 January, this question will be connected to international legal consequences of the legal succession. From a legal point of view, we cannot accept the concept that we should not be allowed to consider the agreement as terminated. [passage omitted]

While examining the other question of the power station and the entire matter from the point of view of economics, ecology, and so on, we have agreed that on the basis of earlier talks with Mr. Andriessen, we would examine things at the level of experts, involving EC experts besides those delegated by the two countries. We would not be striving to create good neighborliness in an honest and friendly way if we do not make it clear that every unsolved question and every neglected question goes beyond the problems themselves and easily cast a shadow over other relations as well. [end recording]

1956 Federation Issues Statement Supporting Csurka

AU1009072992 Budapest NEPSZABADSAG in Hungarian 8 Sep 92 p 4

[NATIONAL PRESS AGENCY report: "The 1956 Federation Supports Csurka"]

[Text] ...."We welcome Istvan Csurka's valuable article fraught with much bitterness, but extremely useful to enlighten disturbed minds. The 1956 Federation welcomes Istvan Csurka's courageous and committed stand in favor of the Hungarian cause in his essay published on 20 August and entitled "A Few Thoughts...."—begins the position published by the 1956 Federation on 7 September.

"As is well known, the document—that was published precisely on the occasion of our national day—has stirred a considerable storm. Quite a few members of his own party have distanced themselves from the writer.

"The 1956 Federation has been standing on almost similar ideas since the beginning of the change in the regime, but we have never felt that we are anti-democratic or 'fascists.'

"In any case, we, and we think that the broad strata of the Hungarian society as well, have learned a lot from Csurka's document that has stirred up deep thoughts. We now really see the extent to which the hands of the prime minister and of the entire government were tied after the change in the regime, so they could not act the way they wanted to and the way the Hungarian public expected them to act.

"It is also unfortunate that, in connection with the pact, the coalition government carelessly released the press and the media from its grip and let them incite hatred against the government, the coalition, and the Hungarian people to this very day!

"Although we condemn any kind of racial, religious, and other discrimination among the citizens, we—the 1956 Federation—will always be among those who want Hungarian cooperation and a better future for Hungarians as long as we live."

Names of Recently Formed Parties Published

AU0809164292 Budapest MAGYAR HIRLAP in Hungarian 4 Sep 92 p 3

["Szu.L."-signed report: "Parties Are Coming and Parties Are Going...."]

[Text] Political parties started to mushroom in Hungary after the 1989 February decision of the Hungarian Socialist Workers' Party's [MSZMP] Central Committee on the possibility of introducing a multiparty system and after the collapse of the party state in October. The "flood of parties" exceeded even the similar process of establishing parties in 1956. Since then, during the past three years, some parties have been transformed, changed their name, divided and multiplied, and others have ceased to exist. A large number of new organizations have also been established. Although this process is slower now, it has not at all been completed.

The fever of founding parties peaked at the beginning of 1990, when some 83 parties announced their establishment but "only" 65 of these registered themselves officially. Because the law allowed only parties to set electoral lists, a large number of political movements were also forced to become parties; therefore, this figure includes the parties specifically formed for the elections. However, only 12 organizations were able to set up a national list, and this was the final number of parties competing for parliamentary mandates. The number of political organizations has not changed very much since then, but their structure has. (The following data is based on the records of the Supreme Court.)

Out of the 65 parties that had been registered before the elections, eight have ceased to exist, have merged, or have changed into a different kind of organization in the meantime. These are the Independent Hungarian Workers Party, the Alliance of Christian Democratic Youth, the Gyongyos and Vas County organizations of the Christian Democratic People's Party, the Federation of Christian Democrats, the Regional Green Party of Hungary, the Alliance of Hungarian Political Prisoners, and the Justice Party of New Hungarians.

The following parties have changed their name but are still functioning: Fatherland Party—now Fatherland and Enterprise Party [Haza es Vallalkozas Part], the Ferenc Munnich Society—now 1 May Society [Majus 1 Tarsasag], Patriotic Election Coalition—now Democratic Coalition [Demokrata Koalicio], and Party of Generations—now Pensioners' Party [Nyugdijasok Partja].

During the three years since the elections, a large number of new parties—27 in total—have been formed and registered. These are the following: General Party [Altalanos Part], Transformation Core [Atalakulas Mag], Happiness Party [Boldogsag Part], Social Democrats of Erzsebetvaros [Erzsebetvarosi Szocialdemokratak], Europe Party [Europa Part], Party of Life on Earth [Foldi Elet Partja], Independent Liberal Party [Fuggetlen Liberalis Part], Party of Hungarian Health Protectors

[Magyar Egeszsegvedok Partja], Hungarian Christian Citizens Party [Magyar Kereszteny Polgari Part], Hungarian Liberal Party (Lajosmizse) [Magyar Liberalis Part, Lajosmizse], Hungarian Employees' Party [Magyar Munkavallalok Partja], Democratic Federation of Hungarian Workers [Magyar Munkasok Demokratikus Szovetsege], Hungarian Party [Magyar Part], Hungarian Republican Party [Magyar Republikanus Part], Hungary's Gypsy Party [Magyarorszagi Cigany Part], Party of the Unemployed, People With Reduced Working Ability, and People Living Below Subsistence Level [Munkanelkuliek, Csokkent Munkakepesseguek es Letminimum Alatt Elok Partja], National Party of Farmers and Entrepreneurs [Gazdalkodok es Vallakozok Nemzeti Partja], National Democratic Alliance [Nemzeti Demokrata Szovetseg], Party of People's Will [Nepakarat Part], 1956 Party Gyor [1956 Part Gyor], Rational Party [Racionalis Part], Federation of Radical Youth [Radikalis Fiatalok Szovetsege], Help Party [Segitseg Part], Beer Party [Sorpart], Free Hungarian Independent National Party Nagykata [Szabad Magyar Fuggetlen Nemzeti Part Nagykata], Social Democrats of Terezvaros [Terezvarosi Szocialdemokratak], and Party of People Building a New Hungary [Uj Magyarorszagot Epitok Partja].

During the period from the collapse of the party state until the general elections, parties were supported from the state budget on the basis of membership reported by them, on a normative basis. A total of 100 million forints were spent on this in 1989, while support for the MSZMP was nine times more. The 1990 election campaign also used 100 million forints. In that year, some 39 parties received a total of some 200 million forints, in proportion to the membership figures. In the following year, on the basis of the election results, some 11 parties received a total of 700 million forints, and this sum increased to 900 million in 1992. According to the present legislation, some 25 percent of the sum allowed for the support of parties in the central budget is shared out equally among the parliamentary parties, and the remaining 75 percent is given to the parties in proportion to the votes received in the first round of the elections.

At the moment, a total of 84 organizations registered as parties are operating in Hungary, and a large number of parties that have not officially been registered also exist. In the future, further parties are expected to announce their establishment, and the dividing organizations will also enrich the variety of parties because internal fighting will continue until the processes of forming the parties is completed. The question is how much interest will be shown in their establishment and competition. While three- quarters of the 7.5 million eligible electors voted in 1990, according to a recent public opinion poll, some 40 percent of the surveyed people do not favor any of the parties and do not wish to vote in the elections.

New Social Democratic People's Party Founded

LD0509175992 Budapest MTI in English 1551 GMT 5 Sep 92

[Text] Budapest, September 5 (MTI)—Establishing a welfare society in Hungary: This is one of the main goals of the Social Democratic People's Party (SDPP), which held its first national meeting in Budapest on Saturday 5 September]. The new party has been founded at the initiative of Zoltan Kiraly, an independent MP [member of parliament].

Composed of about 2,000 members, the SDPP seeks to represent the interests of wage and salary-earners, and considers the trade unions as its primary ally. It strives for cooperation with the Hungarian Socialist Party, the social liberal platform of the Alliance of Free Democrats, and the Christian Socialist Movements. The SDPP will elect its leaders and adopt a manifesto in its congress late January. It has asked Andras Revesz, a veteran social democrat, to become its honorary president.

In his speech, Kiraly sharply criticized what he termed as Hungary's "right-wing and authoritarian governing coalition". He blamed the government primarily because of its economic and social-welfare policies in the past two years.

The SDPP has established ties with the Socialist International and seeks to join it, Kiraly told MTI.

The Social Democratic Party of Hungary lost the 1990 general elections, mainly because of differences within its leadership. Since then, it has failed to find the road to the supporters of the social democratic ideas.

Joint Cooperation Declaration Signed With Belgium

LD0909175292 Warsaw PAP in English 1956 GMT 8 Sep 92

[Text] Warsaw, Sept. 8—Deputy Belgian Prime Minister and Minister of Foreign Affairs Willy Claes and Foreign Minister Krzysztof Skubiszewski signed a joint declaration on cooperation in Warsaw on Tuesday [8 September].

The Belgian side promised to make every effort to contribute to the ratification of the association treaty between Poland and the European Communities as soon as possible, which would ensure the treaty's effectiveness. The declaration stresses the two countries' commitment to sign a bilateral treaty on friendship and cooperation in the near future.

The two ministers vowed they would cooperate to intensify the process of regional integration initiated by the Visegrad Triangle states. They agreed that the Benelux countries could share their experience in the field of visa and migration policy and training of economic experts with the Visegrad states.

Willy Claes underlined that Poland was the most important element of Central European stability linking Western Europe with the former Soviet Union.

Also on Tuesday, Willy Claes met with President Lech Walesa who expressed satisfaction over the state of relations between Poland and Belgium and a hope for further development of cooperation between both countries.

Lech Walesa and Willy Claes discussed problems of the Yugoslav conflict, integration of the European Communities and reforms taking place in Central and Eastern Europe. They also touched upon social tensions and migration from poor European regions to advanced countries.

Later in the day, Willy Claes met with Premier Hanna Suchocka to discuss bilateral relations and questions related to Poland's strive to join the European structures. Willy Claes expressed his government's readiness to act as a mediator in negotiations between Poland and the EC.

The Belgian deputy prime minister also met with Sejm (lower house) Speaker Wieslaw Chrzanowski and Deputy Senate Speaker Andrzej Czapski and attended a meeting of the Sejm and Senate Committee of Foreign Affairs which discussed problems of security and integration processes in Europe.

At his evening press conference Belgian Foreign Minister Claes emphasised that his talks in Warsaw were accompanied by a "wonderful climate and a parallel approach to all problems". He said that it was in the interests of both countries to develop further bilateral relations, especially economic and trade cooperation. Claes added that it was necessary to "get initiatives moving for Belgian and Benelux investments".

Polish Foreign Minister Krszysztof Skubiszewski claimed that coming closer to Europe was for Poland "a very important key for Polish security", and that this challenge had been discussed at Tuesdays talks. He added that Belgium was an important partner for Poland in trying to achieve this aim.

Arms Transfer From Bulgaria to Iraq Denied

LD0909213692 Warsaw PAP in English 2039 GMT 9 Sep 92

[Text] Warsaw, Sept. 9—The president of the foreign trading enterprise Cenzin, Andrzej Surowiecki, categorically denied on Wednesday [9 September] that his firm had transferred arms from Bulgaria to Iraq. The accusation had been made by former foreign minister of Bulgaria Dimitur Ludzhev.

"The Polish government is awaiting official information on this matter and more precise charges by the Bulgarian authorities" said Andrzej Spis, the deputy director of the Central Engineering Board at the Ministry of Economic Cooperation with Abroad, who oversees arms trading.

He added that if the allegations were true then Cenzin would have been acting on its own account.

Walesa Interviewed on Political Situation

AU1009072592 Warsaw ZYCIE WARSZAWY in Polish 5-6 Sep 92 p 4

[Interview with President Lech Walesa by Alina Grabowska and Kazimierz Woycicki, place and date not given: "We Have Approached Normality Ten Times Already"]

[Text] [ZYCIE WARSZAWY] From some of the things you have said, one gains the impression that you are setting yourself at a distance from the prime minister, that you are no longer giving her the proverbial "100 days" in office, and that you already have a new concept in mind.

[Walesa] The reforms are very much on my mind. I am pleased we have Hanna Suchocka as prime minister, and I will do everything I can to help her. My opinion (and I hope it is correct) is that the factors that disturb us today, the factors we are now dealing with, will be negligible tomorrow because the prime minister is just as concerned with reforming the country as other people are. She is not concerned with petty, private ambitions.

[ZYCIE WARSZAWY] In his latest book that has just been published, former Prime Minister Olszewski claims that the Polish parliament has no free will, and that the government is in a state of indecision. He says that in this situation, the presidential center of authority will assume increasing powers while preserving a fictitious parliamentary system.

[Walesa] That is one way of looking at the situation, and one can present arguments to back it up. But let me tell you that if I ever made a mistake concerning personnel, that mistake was Mr. Olszewski and his entire cabinet.

That is my biggest failure! I am not saying this out of disgust. I am trying to understand how an intelligent person with such experience managed to descend to the very edge of ridicule and lose track of what is happening in Poland. I have an answer, a very prosaic one. As a practician, I am sure I am right. That man has never worked a single day in his life from 0600 hours. His biological clock is set differently. He was in the habit of sleeping long hours and whenever he wanted, and then all of a sudden he had to reset his biological clock. He had to get up very early in the morning, and was no longer able to sleep whenever he wanted. On top of this he was confronted with major problems and tasks, and his biological clock simply could not cope! That is why he made such serious errors, errors that do not fit in with someone of his status. And now he is putting up a struggle because no one likes to lose. But I forgive him. I have tested this "biological clock" myself. I was a worker for 25 years and had to get up at 0500, but my biological clock was never slow, and even though I have lived a different way of live for 10 years, I still wake up at 0500. Ex-Prime Minister Olszewski should understand that, he should look at the mess he has made in Poland and how much he has destroyed. Perhaps he had good intentions but, as we know, even hell is paved with good intentions!

[ZYCIE WARSZAWY] Let us discuss the presidential system. We are in a difficult situation. Leszek Balcerowicz thinks things will be better next year, but in the meantime we are still faced with many problems. Which is better, a presidential system, or the president's full support for Mrs. Suchocka's government? Would it not be wise to have as little antagonism as possible between the government and president? It is not just the government's duty to foster good relations, but also the president's.

[Walesa] I realize that this is why I do not want a presidential system. People claim I do want such a system, but really I do not. Under the present system, I have no responsibility in a legal and formal sense, but I am being blamed for everything nonetheless. For six months I will speak firmly against a presidential system to prevent it from materializing. On the other hand, I have had enough of being blamed for everything. I have had enough of inefficiency. Unfortunately, if I have no other choice, I will have to take the helm here in Central Europe, in a way I would not like. I am in a position to lead firmly, but I would take "short cuts," I would do things faster, and at greater expense, involving a slight restriction of democracy. I know everything the theoreticians are saying, about how much the presidential center of authority needs to have its own party, and how this party must gain a majority in parliament. I know all that. And I tell you, I did not want anything of it. But perhaps I will be obliged to do it, and make no mistake, I am capable of doing it!

[ZYCIE WARSZAWY] What does the presidential system involve?

[Walesa] It enables the president to remove a minister who fails to meet expectations. It enables him to replace a prime minister immediately, if necessary. It enables good solutions to be implemented immediately, without waiting for long, drawn-out parliamentary debates. I am not concerned with human rights, nor law and order. That is a different matter. I am concerned with, for instance, strikes and the economy and an effective government. I am concerned with avoiding a situation like we have these days, when the prosecutor general sets five deadlines for the end of a case, but fails to keep any of them.

[ZYCIE WARSZAWY] You once uttered the famous phrase about a "left leg and right leg" that Poland needs, and you also once paid a visit to the parliamentary club of the Left-Wing Alliance, even though it consists of former members of the Polish United Workers Party. Do you still maintain that Poland needs a "left leg and right leg"?

[Walesa] My reply is practical and brief. As far as orientation and paths are concerned, everything in Poland should retain its individuality. Criminals must answer for their activity before the courts, that is a separate matter, but one must not deprive people of their individuality. It would be bad if we forced others to descend to a lower level and join the social fringe. I have already made the first step in that direction. I got rid of Pawlak!

[ZYCIE WARSZAWY] Could there ever be another government with an orientation similar to that of the Pawlak Government?

[Walesa] No. As soon as I realized that a coup was on the way, and a badly and stupidly prepared one at that, I immediately had to take control over events in the country. I succeeded. I was very clever. The others knew they were losing, but they thought they would remain at least another four months in power because there was no candidate to succeed Prime Minister Pawlak. But I got the better of them. I found a way out. I expected Pawlak to remain prime minister, but I also expected the government to be a Solidarity government and that Solidarity would hold it together. Pawlak is not a communist. He is a young man, with no idea about communism. He was completely in favor of my concept whereby he would be prime minister and the rest would be Solidarity people. However, so-called "wise guys" began to talk to him. They kept scheming all the time. They said to me: "Leave things alone. There is too much of Walesa in all this. We will take care of all this better on our own." Once again I backed down, as a result of which, two days later, Pawlak realized he was all alone in this situation, and with a negative opinion. And he began to defend himself, bringing in his own people and pushing out others. The result of all this is that my concept collapsed, just because I listened to other people's advice once again.

[ZYCIE WARSZAWY] Is the present division in Poland really a division into people belonging to the former system on the one hand and people belonging to Solidarity on the other, or does the dividing line run somewhere else?

[Walesa] I divide people differently, into those who struggled against communism, and those who did nothing and sat still out of fear. Anyone who did fight, whether a worker like me, or an intelligentsia person, fell into the throes of the Reds, i.e. the communists and secret police. Some people were clean and strong-willed, and emerged from the system intact. Others indulged in scheming. Still others attempted to lie low and wait for something to happen. Different people behaved in different ways, and they emerged from the struggle with the great empire in different ways. But they wanted to fight. Sometimes they made mistakes in the struggle against the secret police. The secret police only opened files on those considered to be opponents, not on those who only sat passively and did nothing. You must realize that. Now it is necessary to sift through the file material and draw conclusions. If someone was too weak and failed to keep his head above water, he has no chance holding a public office today! Someone else might have been a downright traitor, which is far worse. Someone else again might have died, and cleared his name that way. All this has to be carefully examined. Decommunization must be carried out in such a way that is makes sense and provides an answer to all these questions.

[ZYCIE WARSZAWY] When did you realize that a coup d'etat was being planned?

[Walesa] You mean when did I realize Interior Minister Macierewicz was deceiving me? I believed in him right until the very end. Every now and then I asked him what was happening with my file. I checked what these people were doing, for I knew the contents of my file, and I knew that no one would maliciously tamper with it. And of course, whenever I expressed suspicions, I received the answer "Mr. President, what makes you think anyone would do anything with your file?" Yet all of a sudden, my file appeared in the limelight, and I saw that they had indeed deliberately tampered with it in order to fulfill a certain plan. They wanted to take over power. I thought to myself, life in Poland is covered in weeds. Perhaps it would be a good thing if someone strong were to take power? But when I saw how badly they had prepared themselves for it, and how they had made a mess of it, I hit back and came out with a concept that deprived them of everything. In effect, I told them to go home.

[ZYCIE WARSZAWY] Your adversaries claim that Poland is not free, not independent, and not sovereign. The presence of Russian forces is used as evidence of that.

[Walesa] I have done all I can to make these forces leave Poland as quickly as possible. I did it all in Moscow. But I sometimes wonder what would happen to Poland's security if all these thousands of soldiers, forced out of their barracks and deprived of their weapons, suddenly find themselves devoid of any prospects in life. It is true that there must not be a single foreign soldier in Poland, but security interests are important at the same time.

[ZYCIE WARSZAWY] You have decided to create a Bureau of Strategy at the Presidential Chancellery. What do you expect of this Bureau and of the people you want to appoint to it?

[Walesa] I am examining all kinds of government, parliamentary governments, and presidential governments. There is a lack of solutions, and yet people are becoming more and more dissatisfied. The government is busy with current affairs, and no one has the time to dream up some kind of "master plan," the kind of plan that would say, for example, that Poland wants to become a country like France or Belgium. How is our country supposed to look politically, economically, and socially, and what are we aiming for? What is the pattern? Do we want a pattern of our own, or to adopt a pattern from elsewhere? Our political parties are engaged in a chronic election campaign. They are forever fighting. Therefore I think someone not belonging to any party, someone outside the present setup, should take charge of things. I do not have the right preparation for it, including language preparation. Let someone do it who is suited for the job. We do have a Presidential Cultural Council. I have asked that it be converted to a Polish Culture and Scientific Development Council. I am counting on all those willing to put these plans into action.

[ZYCIE WARSZAWY] Are you concerned with some sort of Polish image in Europe?

[Walesa] Exactly. Six months ago I asked for a rundown on the subject of privatization, sales, and so on. I wanted to know, for example, what spheres of industry should remain in Polish hands, such as communications, the railways, and the aviation industry, and what could be sold to foreign investors, perhaps land in border areas. There has to be a plan for carrying out the privatization, and this plan must specify who is supposed to carry it out. Is it the voivodes who are supposed to do it? There have to be clear, brief, and simple plans.

[ZYCIE WARSZAWY] But would that not be a repetition of the government's work? People in Poland are afraid because they have no vision of the future.

[Walesa] That is exactly what I am saying. We need up to one year to privatize giants like the Mielec aviation plant, as well as the steelworks, shipyards, and ports. Only then will the money from taxes begin to flow to the State Treasury's coffers. A lot has been done already, but the giant enterprises are still waiting for privatization.

[ZYCIE WARSZAWY] You keep talking about the workers, yet it is the intelligentsia that has become impoverished. You have said nothing about the situation regarding culture.

[Walesa] Why do we have an intelligentsia? In order to solve problems. As long ago as 1983 I said: Gentlemen, we will definitely win, but prepare some kind of scientific and economic plan and program immediately. But

they never did. That is the truth. We were only prepared to act in a "time of war." We had no program for a "time of peace."

[ZYCIE WARSZAWY] Mr. President, your popularity is falling, and seriously too. Why? Is it because of the crisis and lack of vision of Poland's future, or is it because people think you are making wrong moves? You are in favor of pluralism, but at the same time you seem to be "stifling" creative moods. You have ministers and Belweder employees who are devoted to you, but you have failed to create a climate in which the intellectual potential of the Polish intelligentsia can be fully exploited. People sometimes think you are jealous of the popularity and influence of other people. Is that the case?

[Walesa] It is not. I am not struggling for popularity because I am not waging an election campaign. But I am fulfilling all my duties 1,000 times over. Since the victory over communism, I have been struggling for an even greater victory, a victory over the old structures. But I have no ambition to be a "great leader." I wish to leave behind a political structure, not an authoritarian method of rule. For that I am paying a high price. I want Poland to be normal, economically normal.

[ZYCIE WARSZAWY] Do you not feel that before there can be economic stability, there has to be political stability?

[Walesa] More than just political stability. It is more complicated than that. The "top" has assumed power, but there is no contact with the "bottom." There is a chasm in between. But I have always fought for "normality," and in every sphere. And we have progressed toward normality. When I left the shipyard four years ago, I was earning $20 to $30 a month. Today in my beloved shipyard they are earning $200 a month, and sometimes even more. Therefore we have approached normality ten times over. If people say that the Czechs have gone further ahead than us, I say yes, it is true that Czech agriculture is further ahead than Polish agriculture, but Czech agriculture is still totally communist and socialized, without a single private allotment. And who will be better tomorrow? I say that we are heading toward normality. The only thing is that we have failed to include the intelligentsia in the formation of programs, and have produced all sorts of oddities.

[ZYCIE WARSZAWY] And can this vision of a "normal" Poland be based on the Solidarity movement? Is it not time for a new language and completely different approach toward all issues?

[Walesa] I was the first to say that. You can check for yourself. Solidarity is merely a stage in the struggle. Once the struggle has been won, we will have to wrap up the banner and get down to work.

[ZYCIE WARSZAWY] What place does the church occupy in your vision of Poland? The church's popularity is also falling, although Polish believers still have faith in it. You are sometimes accused of having an ambiguous stance toward the church. What kind of role for the church and religion do you see in tomorrow's Poland? Of course I mean the church as an institution.

[Walesa] Were it not for the church and the faith, I would have fallen a long time ago. However I am not saying there is only one faith, nor am I saying that this faith is a political matter. I would like everyone involved in the construction of Poland to remember his place in the ranks. Of course, the church's place in the ranks is somewhat different. Its place is moral and spiritual, for we are concerned with religious values here. There is no contradiction about that. We are all carrying out the construction together, the material and the spiritual construction. Also, the church and its hierarchy must adapt itself to the new reality. There really is a great amount of room for the church, and I personally need the faith and the church very much. Why else should I wear myself out, expose myself to ridicule, and leave my family?

[ZYCIE WARSZAWY] Does that mean you divide tasks into moral ones, the responsibility of the church, and political ones, the responsibility of politicians?

[Walesa] The moral role involves participation and responsibility. Politics is often dirty. I do not guide myself by principles. The church is not supposed to rule, but it may give opinions, including on the subject of politics and local government. The more honest and dedicated people take part in this, the less mistakes we will make.

[ZYCIE WARSZAWY] But Mr. President, last year the church was a great inspiration for many people because of its spiritual work. Is there no neglect in this sphere today? People claim there is.

[Walesa] The church hierarchy did not descend from heaven. It was formed here on earth. But priests also have to learn to live in the new Poland. They also heap blame upon me, saying that I have done everything in the worst possible way. Things are in a mess right now. There are no illusions about that. After 50 years of the former system, we still have a "socialist" work ethic, however much we deny it. We are infested with communism, me included. Religion cleanses things. We must begin with cleansing ourselves.

[ZYCIE WARSZAWY] But in the West it is said that the church's influence is too great, a sign of clericalization. Do you agree?

[Walesa] Where is this influence too great? I do not see it. If I attend mass together with the primate, it is a great honor to me. No one forces me to go to church. I even think that more teachings from the church would be useful in this difficult period.

[ZYCIE WARSZAWY] Is this situation and all the fears and doubts not the result of the fact that the church acts too much by administrative means and not enough by spiritual means? Is there not enough spiritual work?

[Walesa] The church has lasted 2,000 years, and it will last longer, much longer than we will. But right now all of us, from the president, his children, all the way down to the common people, are in a great spiritual shambles, so to speak. No one is free of it. Let us take from religion what is good, and not just what is convenient. The church is also paying for the fact that we are in a spiritual shambles after all the years of communism and bondage. The price is that its hard work is not always accepted the way we would like it to be.

Solidarity Approves Results of Tripartite Talks

LD0909213992 Warsaw PAP in English 2034 GMT 9 Sep 92

[Text] Gdansk, Sept. 9—The Presidium of the Solidarity National Commission in Gdansk, Northern Poland, on Wednesday [9 September] positively assessed the results of talks that the union's leader Marian Krzaklewski had held with President Lech Walesa and Prime Minister Hanna Suchocka last Monday.

The commission stressed that the talks provided a groundwork for initiating systemic talks on the "pact on state enterprises," that is a set of draft laws concerning transformations in the state-run enterprises.

The presidium is of the opinion that the initial talks on general questions and those of negotiating procedures should be held on September 17.

The presidium decided that a broad social consultation would be indispensable for the conclusion of agreement over the proposed "pact." Therefore the union wants the government to promptly publish and propagate the drafts contained in the "pact."

The time and place of the planned central demonstration of the Solidarity will be set after the union's leadership assesses the course and results of the talks, the presidium resolved.

Parliament Ratifies Investment Treaty With U.S.

AU0909145992 Bucharest ROMPRES in English 1229 GMT 9 Sep 92

[Text] Bucharest, ROMPRES, 9/9/1992—The Chamber of Deputies sat, Wednesday, September 9, in plenum. A number of international conventions, agreements and treaties to which Romania is party were debated. The bill was passed on the ratification of the treaty between Romania's Government and the Government of the United States on mutually encouraging and protecting investments, signed in Bucharest on May 28, 1992.

The treaty stipulates, among other things, that the two states pledge to mutually promote and protect investments of the other party and apply them a just and fair treatment, comparable to that granted to investors from their own country and from third countries, to grant non-discriminatory damages in case of expropriation of the investments in public interest, to guarantee a free transfer of the money resulting from the sale or the compensation of the sale or the total or partial liquidation of an investment.

Tokes Discusses Hunger Strike Motives

AU0909123892 Bucharest ROMANIA LIBERA in Romanian 5 Sep 92 pp 1, 3

["Exclusive" interview with Laszlo Tokes, Reformed Bishop of Oradea, by Marius Ghilezan in Timisoara on 3 September: "The Glass Was Filled to Overflowing. We Have a Common Cause."]

[Text] [Ghilezan] Your Reverence, what was the reason that determined you to choose this moment to start a hunger strike?

[Tokes] Like many others I thought that I had to do something. The glass was already filled to overflowing. The internal, spiritual law of the limit of my patience led me to this act in spite of the fact that—I must be frank—I intended to do it six months ago. It was at that time, when as a result of a scandalous act, we were faced with the situation of being thrown out from the Bishop's Palace through a simple decision of the court. I was extremely revolted that not even a minimum sign of repair for the injustice done by the communists to our church was attempted. In 1948, the reformed bishop found himself in a situation in which he was forced to sign a document donating all assets of the bishopric to the state. We have still not overcome our situation as tenants.

[Ghilezan] Still, why did you not take a stand at the time when you noticed the first signs that those in power were betraying the ideals of the revolution?

[Tokes] I took a stand, and I made statements, but maybe they are not known well enough. Now, the trial of Pal Cseresznyesy in Tirgu Mures made me take concrete action. The glass had been filled. It seems that Hungarians are the only guilty ones in Tirgu Mures, and it seems that the young revolutionaries are the only guilty ones in Bucharest, Timisoara, and Cluj.

The latest events along this line made me start my act of protest now. I consulted my schedule. I renounced attending the World Ecumenical Conference that is currently being held in Prague, and I decided to go on a hunger strike during this period.

[Ghilezan] Why did you choose Timisoara for your action?

[Tokes] Choosing Timisoara has a symbolic significance. Timisoara has a specific resonance. This was the place where my calvary ended, this was the place where we all gathered in December in our struggle with evil. This is one reason. On the other hand, maybe it seems strange to you, but I must admit that I have a feeling that we have not taken one single step forward since the time of the dictatorship. We have lost track somewhere. It is said that when you get lost it is advisable to return to the starting point, and that is where you can start off again on the right road. I have stayed loyal to Timisoara. Had I not been appointed bishop I would never have left Timisoara because that is the place where God's grace descended upon us.

[Ghilezan] You are one of the most slandered figures of the revolution. Do you believe that the national-communists will attempt new attacks against you to score new electoral successes?

[Tokes] They might try. The nature of the cause that I am supporting, namely the need for truth, justice, and morality are guarantees that they do not have very great chances. The problem of martyrs, victims, and casualties affect people so seriously, regardless of their ethnic origin, that they will not pay too much attention to those attacks. Certainly, they will try to emphasize my action as the act of a Hungarian. This is their prejudice.

[Ghilezan] The previous day you stated that you wish your act to be considered as the act of a Romanian who participated in the revolution.

[Tokes] The cause of victims and social justice is so universal that in no way can one say that I have private goals. We, who live here, have a common cause.

[Ghilezan] Have you also consulted with others before you resorted to this form of protest?

[Tokes] I did not consult with anyone, not even with the representatives of the Democratic Union of Hungarians in Romania. I counted on the surprise effect.

[Ghilezan] President Ion Iliescu reacted promptly to your action and sent you a letter. How do you view this unusual promptness?

[Tokes] I do not wish to make statements on this issue of promptness since I am not familiar with it. I can tell you now, a few hours after the letter was sent, that I am honored by the fact that the president sent me an open

letter. I can see that he has respect for me. Through his gesture he stressed again the importance of the cause that I am supporting. He understands the value of the issue. That is why I am pleased, regardless of what the president writes to me. I am pleased with the simple fact that he sent me this letter.

[Ghilezan] President Ion Iliescu showed "willingness" to meet with you. Do you intend to give an affirmative answer to his proposal?

[Tokes] I have always been ready for a dialogue. In principle, I have nothing against it.

[Ghilezan] What is your feeling about the way Timisoara residents reacted to your action?

[Tokes] Through scores of pilgrims and reporters who come to see me I sense a favorable attitude. I am overwhelmed by the admiration and solidarity of our brothers, especially the Romanians who come to see me. Members of bereaved families and participants in the revolution assure me of their complete affection. Even today (3 September—editor's note), two persons joined me in a hunger strike as a sign of solidarity. This action impresses me the most. Here in Timisoara, I again find a part of the spirit of December 1989. It is as if we, the same people have met again.

[Ghilezan] Your protest is connected with a number of claims that cannot be solved in a short period of time. Some of them are even idealistic. How long will you resist?

[Tokes] As long as it is useful. I am neither a fanatic nor a voluntarist. I do not act under subjective impulses, and I do not want to assert myself. I was always prompted by realities in a certain attitude. I believe that the glass has been filled to overflowing, and there is no more time for expectations.

[Ghilezan] You are going to hold a religious mass. In what way will that be organized?

[Tokes] His Reverence Metropolitan Corneanu visited me recently. He agreed to our proposal to organize a religious mass together, proposing that in this place, chosen by the God of the Romanians, to hold our sermon in the reconciliatory spirit of Timisoara, about social peace. It is very important that we, the churches, should contribute to the cause of the entire society. It would be a pity to fall in the manner of the Roman Catholics and Orthodox in Croatia and Serbia who became each other's enemies. The church must play the role of a social balance but only under condition of respect for the truth. In the Old Testament peace and truth go together. A false peace or an unjust peace will in no way please Christians.

UDMR Asks Tokes To End Hunger Strike

AU1009103192 Bucharest ROMPRES in English 1752 GMT 9 Sep 92

[Text] Bucharest ROMPRES, 9/9/1992—The Democratic Union of Hungarians in Romania [UDMR] asked Bishop Laszlo Tokes to give up his hunger strike begun eight days ago, a communique sent to ROMPRES reads.

The leadership of the UDMR also expresses its profound solidarity with the bishop's action, and appreciates that the struggle for "the victory of moral values" and for "a radical transformation of the Romanian society" will be efficient only when Bishop Tokes will have recovered his full strength.

Final List of Presidential Candidates Announced

AU1009105092 Bucharest ROMPRES in English 0748 GMT 10 Sep 92

[Text] Bucharest ROMPRES, 10/9/1992—According to a communique released by the Constitutional Court, the final candidates to Romania's presidential office are: Ion Iliescu on behalf of the Democratic National Salvation Front; Emil Constantinescu on behalf of the Democratic Convention; Gheorghe Funar on behalf of the National Unity Party of Romanians; Ion Manzatu on behalf of the Republican Party; Caius Traian Dragomir on behalf of the National Salvation Front; Mircea Druc, independent. The communique stipulates ways in which the Central Electoral Bureau should solve the contestations [appeals] against the registration of the candidature for the presidential office.

Political Parties 'Likely' To Form Coalition

AU0909074392 Bucharest ADEVARUL in Romanian 5-6 Sep 92 pp 1, 3

[Article by Silviu Brucan: "The General Elections: Toward a Division of Power?"]

[Text] In 1992, the Romanian political spectrum became so fragmented, crisscrossed, and intertwined that the man in the street is more disoriented than ever before regarding his options for the 27 September elections. The issue has become even more complicated with the disappearance of the clear parallelism extant at the time of the last elections in May 1990 between the presidential candidates and the political parties backing them. The government chief, Mr. Theodor Stolojan, who makes the main economic decisions, is a neutral figure, something that amputates the critical arm of the opposition in the most sensitive sphere of the electoral battle, thus almost completely canceling the possibility of formulating a credible alternative to the economic strategy of the powers that be. To this, one should add the social fluidity characteristic of this period of transition to the market economy that does not permit a precise identification of each political party's social base as a decisive criterion for determining the social and professional option of the electorate on "class" grounds.

Therefore, since it is ridiculous to try to find a way out of this social-political labyrinth, I will limit myself to establishing certain points of reference, so as not to lose our way completely.

The term of comparison remains the tough electoral confrontation of May 1990 and the changes that have obviously occurred in Romania's social and economic landscape in the meantime. It is only natural that the 27 September elections should reflect these changes on the political plane. The entire experience of post-communist societies in Eastern Europe proves that the economic and social changes determined by the return to capitalism were faster and more radical than the changes of structures and of practices and mentalities in the political sphere.

In Romania, we now have a constitution and legislation that offer a legal base for the private sector in agriculture, trade, services, and even industry to become the dominant sector in the economy. However, the implementation of this legislation is more difficult than previously thought, and the belief that the government should solve all problems is still very prevalent. Likewise, significant changes have occurred in the social landscape. What we used to call the working class, as a broad and compact sociological unit, no longer exists; many social and professional differentiations have occurred within it, something that has also been reflected in the diversity of interests and demands of the new trade unions and in their inability to organize themselves at a national level. At the same time, capitalist structures are being rapidly rebuilt, with the appearance of employers' organizations, a middle class, and quite a few millionaires, while the poor, unemployed, underprivileged are pushed at the other pole. Social inequalities are leaving their imprint on Romanian society.

The very process of transition from a social structure typical of the underdeveloped socialism to an underdeveloped capitalist structure in full swing of crystallization has created the fluid social situation that does not permit the political parties to identify their own social base, which they can represent and ask for endorsement. I believe that the latest two public opinion polls have stumbled over the difficulty of picking representative samples for the main social and demographic categories, particularly with regard to their choices for the Parliament.

Nevertheless, we must take note of the fact that certain political parties have shown greater flexibility in adapting themselves to the present social and economic situation. The most significant political shift of late has been the one undergone by the Democratic Convention [CD] and its president Mr. Corneliu Coposu, namely from the street strategy of 1990 and 1991, with the negation of the popular vote, to the electoral strategy of order and discipline in the local elections; from the blind and relentless hate of the National Salvation Front [FSN] to statements that he "does not exclude a political alliance with the FSN"; and from the slogan of "the trial of communism" to the strategy of national reconciliation, the naming of a former member of the Romanian Communist Party [RCP] as presidential candidate, and even the use of the term "social market economy." This amounts to a 90 degree turnaround, if we take into consideration that the street strategy only aimed at taking over power through assault battalions and violence; even the editors of the main CD newspaper [presumably DREPTATEA] have not yet realized this shift. In the specialized literature, the CD can be termed a people's party that is capturing votes from all directions to ensure its electoral success.

Political mobility was also shown by the National Liberal Party [PNL], through its courageous decision to enter Stolojan's government and assume responsibilities and, implicitly, risks at a difficult time for the country. Since there are no big ideological or programmatic differences between the main parties, the Romanian voter may ask himself: What party or political leaders are capable of taking the country out of poverty and chaos? In this respect, the liberals have qualified themselves through their experience in government.

Unfortunately, the main political force of the revolutionary process, the National Salvation Front [FSN], did not know how to adapt itself to the new situation, thus tragically confirming the worst predictions—made as far back as the days immediately after the stunning victory of May 1990—if it fails to turn into a political party with a clear ideology and a democratic structure and leadership. The FSN lost its ideological direction, oscillating between liberalism, social-democracy, and a dose of nationalism whenever the occasion demanded it. The shock of defeat in local elections—instead of leading to a profoundly critical examination, as should have happened in any serious party—was taken nonchalantly, so that now all their electoral hopes are pinned on the nostalgy for the red rose [the FSN symbol].

Despite this, it is my opinion that the likely governmental coalition shaping up after the parliamentary elections will consist of the aforementioned three political forces: CD, PNL, and FSN. Public opinion polls indicate that the bare figures speak in favor of such a parliamentary majority, and it is to be expected that the break between August and September will also work in their favor, since, on the day of the ballot, the undecided voters usually lean toward the big parties with chances of forming a cabinet. Anyway, it seems pretty clear that the position of the prime minister will belong to the CD. Only massive absenteeism might jeopardize the formation of such a stable government through a substantial fragmentation of the percentage obtained by the three parties as has happened in Poland.

Regarding presidential elections, the polls indicate a close battle between President Iliescu and Professor Constantinescu. Since the Electoral Law stipulates that, in the first ballot, the majority should relate to the

overall number of people entitled to vote (that is almost 9 million), the decision will probably fall at the second ballot.

Iliescu is still handicapped by his communist past, but the polls place him ahead of the other candidates, with his popularity quite obvious, particularly in the villages. The attraction of the change speaks for Professor Constantinescu, who raises hopes in the world of the disillusioned and discontented. Nevertheless, he has two weak points that may be fatal for him at the second ballot: (1) ambiguity on the issue of monarchy, rejected by 80 percent of the people; and (2) the lack of a clear and unequivocal stand vis-a-vis the extremists of the Democratic Union of Hungarians in Romania [UDMR], who are loyal to Budapest, not Bucharest. Since Mr. Funar will probably absorb most of the Romanian votes in Ardeal, Professor Constantinescu may end up there with a massive vote only from the two counties with a Hungarian majority, that is Harghita and Covasna. This may be a fatal political blow for a presidential candidate.

According to data available at this hour, one can anticipate a formula that in France would be called "cohabitation": Iliescu as president and a coalition headed by a CD prime minister.

Constantinescu Meets Iasi Union Leaders

92P20391A Bucharest DREPTATEA in Romanian 18 Aug 92 pp 1, 3

[Article by A. Costin on meeting of Democratic Convention presidential candidate Emil Constantinescu with Iasi trade union leaders; place and date not given: "The Reform Must Be Political, First of All"]

[Text] [Constantinescu] Recently I asked a number of trade union leaders if they want populism or viable solutions, with costs. They chose the latter alternative. But there must be seriousness on both sides; the Democratic Convention of Romania has a program that was finalized three weeks ago.... There is a strategic plan, without which we were groping. The strategic plan is paralleled by a very short term plan (six months to a year). The complexity of the problem is due to the extremely differentiated character of industry and agriculture in different parts of the country.... There is an honest answer to each one of your questions.

[DREPTATEA] Do you think that there has been any reform of pre-university and university education so far?

[Constantinescu] University and pre-university education operate practically outside the law. The Ceausescu rules are still in effect, for university education, at least. This is what has been achieved—the autonomy obtained by us is not codified by law. We were able to start some projects but not with the necessary financial cover. There is a draft law on education, formulated by officials in the ministry. Three ministers have been replaced so far. I told each one of them that the draft should be discussed in university senates and in educational institutions, and that different variants would be obtained which "would mesh," and the best variant would emerge. But nothing was achieved and the partliament even proposed another draft law.

[DREPTATEA] How do you think that the difficult issue of medical care can be resolved?

[Constantinescu] In only one way: by law. But neither parliament nor the government has brought up this matter for discussion. In all western countries, medical expenses are borne by the healthy and not by the sick. This is the health insurance system that supposedly ensures the quality and rigor of the examination process. The figures show us that this matter cannot be treated lightly, and that it is at the mercy of a political system. The entire population, not the political system, should ensure the state of health. It would be good if everyone, from the lord to the peasant, would observe the law.

[DREPTATEA] A policy of dissolving the family is being carried out. How does a family with three or four persons manage?

[Constantinescu] The resolution of the problems requires a stable economy; they become serious in a declining economy.

[DREPTATEA] What are the prospects for a young college graduate who has been unemployed for nine months?

[Constantinescu] This should not be discussed until the general situation is discussed; up to now, we have had cosmetic, linguistic reform, which has affected only the commercial sector, performing the role of a money launderer. Real privatization cannot be imagined without a reconsideration of the Romanian economy; a differentiation must be made—there are industrial giants and there are the rest of the enterprises. A distinction must be made between the two categories. The giants must be declared bankrupt, but this does not mean that the workers should be put out on the street. A rapid privatization will be necessary for the others, with the goal of converting them to small and medium production. In Germany, I was surprised to find out that 90 percent of the labor force works in small and medium-size enterprises that are very productive. The problem is clear: unemployment assistance is given as a type of credit.... If the political framework is not resolved, the economic crisis is not resolved, nor is the problem of unemployment.

[DREPTATEA] What solutions do you envisage for financing basic and applied research? And for stopping the "brain drain"?

[Constantinescu] In regard to the first issue, a law should be prepared with the aid of people involved in research. For applied research, in clear relation to the declining economy that cannot bear the cost of new research and development, the solution is private production enterprises. Basic research is a luxury in every country in the

world; it is resolved either as it is in the United States, where government funds are allocated, or by tax-free donations. An immediate solution would be the creation of research centers in universities, on the basis of doctorates; while doing research, the graduate student can defend his doctoral thesis and, perhaps, take courses over a period of three years. A few words about the brain drain: It is very serious if extraordinarily gifted young people go abroad to wash dishes or stay in Romania and perform menial jobs. It is not the same thing if a person receives a stipend to study for a master's degree or a doctorate in the United States or in other foreign countries. About 60 percent of these students will remain abroad and 40 percent will return to Romania. The 60 percent will consist of the top American scholars of Romanian origin. They will go to Congress, etc., and they will create lobbying groups for Romanian interests.

[DREPTATEA] How do you think that the issue of extremism in Romania will be resolved?

[Constantinescu] Extreme nationalism is anti-national while the idea of nationalism is sacred. Nationalist demagogy and the idea of autarky are catastrophic and would lead to disaster in the international sphere. We must enter into a security system now, but for this there must be political coherence, the treatment of problems from the national perspective and not from the outlook of party interests. Extremist parties are normal in every country. Prohibiting them is not the issue—but they should represent only an extremist minority, and should not have an opportunity to speak in the name of all the people.

[DREPTATEA] What foreign languages do you know?

[Constantinescu] English and French.

[DREPTATEA] Don't you think that you should have minimum protection?

[Constantinescu] I have the maximum protection provided by the "21 December" Association of Revolutionaries and I do not need the protection of the Romanian Intelligence Service, the Securitate, or any other institutions of that type.

UN Force Reportedly Blames Muslims for Attack

AU0909202092 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 9 Sep 92

[Risto Djogo report from Sarajevo]

[Excerpts] The two French soldiers were killed by bullets fired from the Bosnian side. This was stated by Egyptian General ('Abd al-Raziq), commander of the Sarajevo blue helmets, at UNPROFOR [UN Protection Force] Headquarters in Sarajevo today. There is no mistake about this because visibility at the time of the attack was good. The 36 vehicles were properly marked and announced, (al-Raziq) stressed. [passage omitted]

Serbian sources announced that they intercepted radio messages today from the Muslim command calling for the assassination of Colonel Richard Grey from UNPROFOR. Because of that, Colonel Grey did not attend the talks with the Serbian side in Lukavica today. He is still in the PTT [Post, Telephone, and Telegraph] Building, the headquarters of the blue helmets.

Sarajevo has been relatively quiet today. Only sporadic shooting has been heard. Snipers pose the greatest danger. [passage omitted]

Ganic Denies Muslim Forces Attacked UN Convoy

AU0909202192 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1821 GMT 9 Sep 92

[Statement by Ejup Ganic, member of the Presidency of Bosnia-Hercegovina, in Sarajevo on 9 September—recorded]

[Text] General ('Abd al-Raziq) and his associates visited the Presidency of Bosnia-Hercegovina today. Among other things, we discussed the incident in which two French soldiers were killed and five wounded. We expressed our regret concerning this incident. General (Raziq) said that their press statement, which is being prepared, will say that they do not have reliable information as to who opened fire on the convoy.

I informed the general about the preliminary results of our own commission of inquiry. They will be presented to UNPROFOR [UN Protection Force] at around 1600. One can conclude from this report that the aggressor's forces were on the left side, on the side from which the fire was directed upon the convoy. Some of our troops also were there. However, we have information that it was the enemy that opened fire on the convoy.

During the conversation, I also stressed that we, of course, do not shoot at the convoys that are bringing aid to us and are helping us lift the blockade of Sarajevo. I briefed the general on our attitudes toward UNPROFOR. We have UNPROFOR soldiers in Sarajevo and they are not being attacked by anyone from our army or our citizens. They know that very well.

The fact that UNPROFOR soldiers are gradually beginning to feel the way the residents of Sarajevo feel every day is only a minor matter. They too are becoming victims of the aggressor, just as the innocent civilians are.

Army Blames 'Chetniks' for French Soldiers' Deaths

AU0909204892 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 9 Sep 92

[Statement by the Information Service of the Bosnia-Hercegovina Armed Forces Headquarters issued in Sarajevo on 9 September]

[Text] On 8 September at 1830, a UNPROFOR [UN Protection Force] convoy of some 30 vehicles was moving through Petrovici, Lukavica, and Kula toward Krtelj. On the road near Krtelj, the convoy came under attack and stopped. The chetniks opened fire on both our forces and the UNPROFOR convoy. In an attempt to avoid the attack, the UNPROFOR personnel switched on the headlights of their vehicles. The commander of the convoy demanded a 10-minute cease-fire so that the convoy could get through.

Our units received the order to stop shooting from the highest level. The aggressor forces probably did not get such an order and during that period two UNPROFOR soldiers were killed. The cease-fire period that we observed was used by the aggressor to launch a fierce attack with all kinds of weaponry. This is stated in the report of the Committee of the Armed Forces of Bosnia-Hercegovina for the investigation of circumstances surrounding the death of two UNPROFOR soldiers. The headquarters of the Bosnia-Hercegovina Armed Forces again express its deepest regrets at this incident.

UN Peacekeepers Suspend Relief Operation

AU0909123492 Paris AFP in English 1139 GMT 9 Sep 92

[Report by Allen Nacheman]

[Excerpt] Sarajevo, Sept 9 (AFP)—Land and air corridors channeling humanitarian aid into the besieged Bosnian capital were indefinitely shut down Wednesday [9 September] in the wake of attacks on a U.N. plane and a convoy, U.N. sources said.

"The pilots are refusing to fly. The personnel are refusing to drive," a well-placed U.N. source told AFP on condition of anonymity.

The unofficial decision to stop all flights and convoys followed Tuesday night's attack on a convoy that killed two French troops and injured five, and the downing by rocket of a relief plane that killed four Italian crew last Thursday.

Several U.N. sources, including French troops in the convoy that was hit, said Tuesday's attack was carried out by Bosnian Moslem forces, although no official blame was assigned.

The source speaking to AFP said the U.N. Protection Force (UNPROFOR) was virtually helpless to defend itself against such attacks under conditions of its mandate here.

"We do not have the right to fire unless we can determine that we are being specifically targeted by fire," he said. "And then, we can only fire back with weapons of equal or smaller caliber than those used against us. We have no large weapons, only small arms, which are essentially useless to defend ourselves with."

The attack Tuesday night erupted just as the supply convoy from Belgrade was about to cross the airport runway, a particularly treacherous zone held on one side of the road by Serbian forces and on the other by Bosnian Moslems.

The convoy was riddled by heavy machine-gun fire, then hit with mortars.

"The fire came from our left as we were entering the runway," said Richard Manconi, 22, one of the French soldiers wounded. "No question that it came from the Bosnian side. We were going through several Serbian-held territories on the way from Belgrade and we had no problems."

The U.N. source said the Bosnian region from which the fire came was controlled entirely by Moslems.

"Almost without exception, it is the Moslems who fire on us," he said. "Almost without exception, every dead and wounded we get in the (UNPROFOR) hospital here is from Moslem fire.

This source, who was with the first UNPROFOR contingent to arrive here, said the Moslems had warned several days ago that they would fire on any convoy moving past their territory, but that the UNPROFOR high command had ordered the convoy to continue on schedule.

"Yes, I was aware that there was a warning about heavy fighting," said Manconi, "but we were sent anyway. That's the way it is here."

One U.N. source described the attackers as "Bosnian gangs...local warlords."

However, the first source said it was an error to group the Croats and Moslems together as Bosnians.

"The Croats are basically neutral," he said. "We have very little problems with them. Even the Serbs, although they are good soldiers and strong fighters, can be counted on to keep their word. If they say they will not fire on a convoy, they will not. If they agree to a ceasefire, they keep it.

"If the Moslems tell you they will not fire on you, 100 meters down the road, they shoot. If they sign a ceasefire, an hour later, they fire." [passage omitted]

Fighting Intensifies, Use of Air Power Increasing

AU0909204392

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1700 GMT on 9 September carries in its regular 45-minute newscast several reports on the developments in fighting in the Republic.

In his report from Vogosca, reporter Rade Trbojevic says that "the aggressor's army units are attacking in waves with all the weapons they have." He says that "thousands and thousands of bullets, and tons of explosives have been let loose on Vogosca," but that Kobilja Glava has fared the worst.

Reporting from the Security Services Center, Irfan Calo says that "antiaircraft guns and antiaircraft machine guns are continuously blasting at the square in Bascarsija," while Center and Novo Sarajevo are relatively peaceful, apart from snipers. In the Novi Grad commune, "Alipasino Polje is currently being shelled, particularly blocks D and C, as are Svrakino Selo and Vojnicko Polje." He then says that "the real hell, we are told, is in Dobrinja," as fierce shelling of the district continues.

The press center of Gradacac says that "the situation is becoming increasingly dramatic, as all last night and today the aggressor has been carrying out frantic combined attacks. The city is being continuously shelled." It says that "at 1345 the chetnik air force used cluster bombs to pulverize civilian targets in the village of Mijunica." It concludes that "the chetnik offensive continues with howitzers, tanks, mortars, recoilless guns, and other artillery, which the aggressor keeps bringing in from Bosnian Krajina and Serbia."

The Information Center of Visegrad reports that "the stuntmen in the steel eagles [Orao] again took off from Montenegro and around 1700 bombed and then strafed the area of Medvjedja, Brodari, and Orahovci." According to the Visegrad Information Center, after the "failure of their offensive, in the afternoon the chetniks bombarded and fired machine guns at areas where the Muslims live." It says that "local chetniks, with the help of their kindred chetniks from Serbia, are trying, at all costs, to complete their ethnic cleansing of the Visegrad region, and are thus using squadrons of aircraft from the so-called Yugo-army, which release their deadly loads—sow and cluster bombs—on the Muslim people."

The report from the Rogatica Information Service says that "the chetniks around Rogatica are continuing their campaign of intense shelling of Muslim villages and refugee camps." It says that "the chetniks are getting daily support in manpower and ammunition from Serbia by helicopter via Borik. During the last few days, the chetniks have also been using the air force."

Reporter Salih Brkic from Tuzla confirms an earlier report of air strikes on Gradacac, saying that "according to the Tuzla Regional Headquarters of Defense, they dropped their deadly loads in and around Gradacac."

Presidency Comments on Medjugorje Report

AU1009081192 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 9 Sep 92

[Text] As regards the publication of a report compiled by the working groups of the Party of Democratic Action and the Croatian Democratic Community, which met in Medjugorje at the end of August to work on possible solutions to outstanding military and other issues in the field, the office of Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, has issued a communique for the public which states among other things the following:

It is obvious that the report was written by party commissions, which, while discussing other matters, offered their view on the future constitutional setup of Bosnia-Hercegovina.

During his last visit to Zagreb, the president of the Presidency of Bosnia-Hercegovina was briefed on this work in informal talks, but the Presidency as an organ did not initiate the work of these commissions, nor does it have anything to do with it. The report that appeared in the media was sent to the office of the president of the Presidency, but no action was taken with regard to it.

Regardless of its good and bad sides, the map of the regional organization of Bosnia-Hercegovina that was proposed together with the report was obviously not drafted solely according to the ethnic criterion. In this respect, it deserves to be critically reviewed, together with other proposals of this kind.

This was stated in the communique issued by the office of the president of the Presidency of Bosnia-Hercegovina.

Sarajevo HVO Support Croat-Muslim Agreement

AU1009093692 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 9 Sep 92

[Text] At the beginning of today's statement by the Croatian Defense Council [HVO] for the city of Sarajevo, it is stressed that this statement is supported by the HVO units on the whole territory of the city of Sarajevo apart from Stup. The statement says, among other things:

We support the initiatives which proceed from the agreement between Tudjman and Izetbegovic, and in this connection we also support the idea of making representatives of the Croatian people members of the command cadre of the Armed Forces of Bosnia-Hercegovina. We also think that the party talks that were held in Medjugorje on 27 August and 6-7 September this year represent a useful [word indistinct] stimulus to the agreement on the setup of the future state.

Finally, the victorious political parties [words indistinct] regarding the government and presidency are therefore called upon to fulfill their obligations and do more than they have done until now and ask the Croatian people more than it has been asked before.

We consider the Croatian Democratic Community's proposal to make Marinko Pejic, present chairman of the Sarajevo HVO, defense minister of the Republic of Bosnia-Hercegovina to be appropriate and we wholeheartedly support it, convinced that in this post Marinko Pejic will take effective measures to ensure that two HVO's will no longer be mentioned in Sarajevo.

Prime Minister Addresses Assembly Session

LD0809223692 Zagreb Radio Croatia Network in Serbo-Croatian 0842 GMT 8 Sep 92

[Speech by Prime Minister Hrvoje Sarinic at a joint session of the Croatian National Assembly—live]

[Text] Respected President of the Chamber of the Representatives of the Assembly of the Republic of Croatia, ladies and gentlemen:

In accordance with the Constitution of the Republic of Croatia, on 12 August the president of the Republic of Croatia appointed the president of the Government of the Republic of Croatia. The president of the Republic decided to appoint me, and for me, this represents a great responsibility, but also a great honor. It would not be appropriate if I did not stress this, as it has made a deep impression on me.

I am addressing you, the deputies of the Croatian Assembly, with this speech on my program so you can evaluate the quality of measures and the manner of action with which this government will fulfill the tasks ahead in the upcoming period if this Assembly decides to vest its confidence in the government.

Aside from its duties and the content of the problems that will be solved by the government, one thing will be the basis of its activities: To go toward the goal in a concrete, realistic, direct, and quick manner. Of course, the quality of the result will not be affected because of this speed. I will say this openly: We do not have time to sacrifice time for perfectionism. We would rather repair than stall.

Europe and the Western world are our civilization and we belong to them. We will destroy, change, and replace all those remnants that—in the economy, legal system, and culture—are still binding us and reminding us of the most tragic part of the Croatian nation's history. It is not possible here today to talk about all details of the new government's work in various departments. That is why I will talk only about some basic aspects of its program.

First, the economy, several words about the current state of the economy. The Croatian economy found itself in great difficulties in mid-1992, which is above all the result of the war of aggression started against Croatia last year. The Croatian economy was already in recession before the war due to the breakdown of the federal stabilization program, the process of transition and structural adaptation, and the loss of traditional clearing markets. The war and post-war difficulties attached themselves to these tendencies and made the existing economic problems worse.

Within the context of a significantly smaller sum of economic activities, the accommodation of 270,000 Croatian refugees and 400,000 more from Bosnia-Hercegovina and other former Yugoslav Republics, without sufficient international aid, is a particularly serious problem. The growing public expenditures for social and defense needs is further increasing the already large deficit in the state budget. In a situation characterized by a low level of economic activity and a lack of financial backing from foreign countries, this is creating great pressure in the monetary sphere and generating a growing inflation.

In such general circumstances the most pronounced characteristics of Croatia's current economy are the following: a low level of economic activity and, consequently, limited material potential for spending. Such a relationship between production and spending results in a high rate of inflation, which is increasingly threatening to reach soaring proportions. Another consequence is the fact that almost all production is being earmarked for everyday consumption; a process of intense disinvestment is under way. By and large, production is being maintained by rising exports under the influence of the dinar's rapidly floating exchange rate and extremely limited possibilities for sales at home.

Following a drop of 30 percent in overall economic activity in the country in 1991, which was caused by great structural imbalances, the loss and narrowing of markets, disruption of the flow of goods and transport, and war-provoked scaling down of production capacities and the available labor force, production has stabilized over the past year at an exceptionally low level, inherited from the last months of last year. This is why, despite the current revival, this year's entire result will be lower than last year by about 20 percent.

In addition to the drop in economic activity and overall spending over the last year, the rate of employment has also been reduced in the economy's social sector, by 12.9 percent as of June, and by 7.2 percent in the nonproduction sector. At the same time, the number of employees in the private sector has gone up by 3.5 percent. Under such circumstances, the unemployment rate reached the 17.4-percent mark in June. One should also bear in mind that there is a great deal of hidden unemployment.

The fact that the annual drop in unemployment was lower than the drop in production caused a considerably greater drop, in real terms, in personal incomes. Hence, the aggregate of wages for July in real terms was lower by as much as 53 percent than that of the same month in 1991. In recent months, wages have nominally been geared to the rate of price increases, which has been speeding up the rate of inflation. Despite a markedly upward trend that has been in evidence since the beginning of the year, total exports to hard currency markets in the first seven months of 1992 were 19.3 percent lower than last year's equivalent. Exports earmarked for developed countries have dropped by 10.8 percent, and those earmarked for East European countries have dropped by 40.3 percent compared to last year's totals.

The sizable drop in exports to East European markets, which assumed drastic proportions in our trade with the

CIS—down by 50 percent, has had a particularly negative effect on the industries that are traditionally oriented toward this market, such as machine tool manufacturers, consumer goods, and investment-intensive projects. The low level of production and limited hard currency liquidity have caused a major drop in imports, which have decreased by 24.2 percent over the same period. Imports from developed countries and East European countries have gone down by 16.5 and 44.5 percent, respectively.

The improved performance in foreign trade and tourism in recent months has resulted in an increase in hard currency reserves in commercial banks. The National Bank of Croatia has also begun creating certain reserves. This will also have a positive influence on intensifying cooperation with international financial markets, something that will also be facilitated by our expected admission to the IMF and other international institutions.

Conditions are thereby being created for a greater influx of foreign capital, which will gradually lift the hard currency limit and the limitations resulting from the insufficient level of domestic savings. This should eventually stimulate overall economic activity as well as the processes of restoration and development.

It has been impossible for nominal demand to structurally follow a great drop in supply from domestic production and abroad without a considerable redistribution by the public sector. This situation, in which fiscal earnings have been greatly reduced due to a decline in economic activity, resulted in a high deficit in the state budget, social funds, and public firms. In the absence of real sources, the deficit was largely financed by the Central Bank's primary monetary issues. This resulted in a high rate of inflation, which has been hovering around 15-20 percent per month since last September, which works out to an annual rate of between 435 and 1355 percent.

The scope of the deficit in the entire public sector, including state-level and local budgets, social funds, public firms, firms of general social interest, agricultural complexes, shipyards, and other major enterprises, which is estimated to be about 15 percent of the social product, bears witness to the full gravity of this problem.

The deficit in the state budget is primarily a result of the enormous costs of providing for displaced persons and refugees, reconstruction and defense, and the rising costs of intervention in agriculture. This is why it is essential to adopt appropriate decisions on directing the revenue from selling off and leasing companies and approved concessions in the state budget. This does not, of course, reduce the need to reexamine the possibility of cutting certain expenditures. The origins of the overall deficit in the public sector are related mainly to the structural disturbances already outlined, and its reduction, which is a necessary prerequisite for the stabilization of the economy, calls for major intervention. This applies, in particular, to the business operations of public companies, agricultural combines, and major enterprises in other areas, and to the structure and method of financing of the health service, education, and state administration, including the Army and the police and banking. This also indicates that the solution of the problem of the budget deficit significantly exceeds the bounds of current economic policy and calls for radical changes in the economic system, which must of course encompass an adjustment in the law and institutions.

The government considers, and will direct its activities toward this end: that the way out of the present situation is only possible assuming a greater inflow of foreign capital and the activation and formation of domestic capital, and, in particular, with a consistent macroeconomic policy that will create circumstances for encouraging this process. In accordance with this, the government will take firm measures to accelerate privatization, stop the maintenance of clearly unprofitable enterprises, and create legal security for the investment of foreign and domestic capital. In parallel with these measures, the government will immediately begin preparations for public works throughout the Republic so that with the influx of capital, they can begin immediately, which will speed up the solution of economic, social, and other problems.

All the above measures will call for intervention and coordination in all areas of economic policy and, particularly, in fiscal, monetary, and earnings policy, in the policy of the structure, recovery, and privatization of major enterprises in industry and agriculture, in the restructuring of public companies, and so on. At the start of this process, and as of now, all these steps will be radical, but will be gradually transformed into no more than corrective measures.

A few words about the legal system of the Republic of Croatia. One of the fundamental tasks, on which the government has already taken initial steps toward realization, is the more rapid formation of a new Croatian legal system—that is, the drafting of all proposed laws necessary to achieve this end. Allow me, ladies and gentlemen, to return for a moment to the present situation in the legal system of the Republic of Croatia and the reasons for changing it. The general reasons for changing the legal system are conditioned by the fact that the present legal system in the Republic of Croatia consists of, first, laws and by-laws inherited from the system of the former Socialist Republic of Croatia; second, laws and by-laws inherited from the system of the former SFRY, with part of these regulations changed and amended when they were taken over; and third, laws and by-laws adopted by the Republic of Croatia since 30 May 1990. The present legal system has more than 2,000 laws and by-laws.

On the basis of the program for bringing Croatian legislation in line with the Constitution of the Republic of Croatia, which was adopted by the Government of the Republic of Croatia on 2 December 1991, 182 new laws should have been adopted. Of this number, some 30 laws have already been adopted. Not only have they been

brought into line with the Constitution of the Republic of Croatia, but with their content and the legal modelling, they are acceptable as part of the future new Croatian legal system so new laws should not be adopted except for changes in the provisions in some of the existing ones. They are, for example, the Law on Croatian citizenship, the Law on Citizen's Residence, the Law on Travel Documents of Croatian Citizens, the Law on Personal Identity Cards, the Law on Defense, the Law on Internal Affairs, the Law on Movement and Residence of Foreigners, the Law on Employment, the Law on Supervision of State Borders, the Law on Public Gathering, and the Law on the Protection of Military and Civilian Invalids of the War.

Of the remaining 150 laws that should be adopted—according to the program I cited—we are of the opinion that about 50 of them are vital for the formation of the new Croatian legal system, i.e. realization of the state, rule of law, free market, enterprise, and private ownership in accordance with the Europeanization of Croatian legislation. Of this number, 23 laws will be adopted within a month and the rest by the end of this year. Some of the other laws will also be adopted by the end of this year, and all of them will be adopted by the end of next year, at the latest.

Bringing the law and the entire Croatian legal system in line with its provisions—which according to the constitutional law on implementation of the Croatian Constitution, should be done by the end of the year—will also represent the Europeanization of Croatian legislation and in many ways, it will represent a return to the original Croatian legal values and institutions. The basic question is development of the judiciary and administrative system, development of the democratic values of the Croatian state as a state of law and a state of efficiency.

As far as the realization of new legislation in the economic area and the adjoining areas of labor and finance, formation of the law-governed state is an important precondition. Only such a state can give the legal security that is so necessary for modern business. The legal system developed by such a state must assure everyone of equal legal conditions and prevent unfair behavior in market competition that would imperil the freedom of enterprise. This does not mean permission for business freedom without limits, but wise behavior of the state to safeguard this freedom.

To achieve this goal, the government, while forming legal solutions in these areas, will use the experience of developed central European law—above all, German and Austrian law; however, the institutions of individual laws will be modelled using the experience of other developed European legislations, such as that of France, Switzerland, and Italy.

We have to consider that the changes that the government will propose will be a shock of a sort for many of the subjects of the Croatian economy, as they will be the legal basis for realization of the economic system of free enterprise and private ownership. On the basis of these principles, within one month the government will secure, within the competence of the responsible ministries, the drawing up of law proposals in the economic area and the adjoining areas of labor and finance: 1) the law on ownership; 2) the law on trading associations; 3) the law on trade; 4) the law on market competition and monopoly; 5) the law on concessions; 6) the law on manual trade; 7) the labor law; 8) the trade union law; 9) the law on social security; 10) the law on taxing of company profit and the profit of other legal entities; 11) the law on taxing individual earnings; 12) the law on accountancy; 13) the law on revision; 14) the law on property tax; 15) the law on tax service; 16) the law on banks and other financial organizations.

The drafts of other laws in the economic area, which either work out in detail the previously mentioned basic law or the ones that have to be adopted because of coordination with the Constitution, will be completed by the end of the year at the latest. Here I stress Croatian naval legislation, the preparation of which is in progress; its completion will be accelerated by the government so this part of the Croatian legal system should also be completed by the end of this year.

Something about the social policy. The long lasting economic crisis, caused by the one-party communist system and the so-called socialist self-managing and planned economy, has increased significantly during the last year due to the war imposed upon the Republic of Croatia. This has increased the number of social welfare beneficiaries. This has increased the phenomenon in which employed, unemployed, pensioners, and others with low incomes are seeking social welfare, most of these being additional requests related to war victims, wounded, invalids, refugees, and all other victims.

It can be expected that as a consequence of the war for the homeland, in the next period we will see a large increase in the number of social welfare beneficiaries, primarily the uninsured, children without parental care, and persons with socially unacceptable behavior. Further escalation of Serb aggression in Bosnia-Hercegovina, which has already caused the arrival of hundreds of thousands of refugees in the Republic of Croatia, has a negative effect on the worsening economic crisis and is significantly threatening social stability in Croatia.

The unemployment problem in the Republic of Croatia. At the end of June there were 1.164 million employees in the public sector—928,000 in the economic sector and 236,000 in the non-economic sector. In comparison with the same month last year, the number of employed is 11.8 percent less. In February there were 134,000 persons employed in the private sector—15.3 percent less than a year ago. According to figures from July, there were 261,000 unemployed—a 0.9 percent increase from last July. Of this, 76,344 persons, or 29.2 percent, were looking for their first job. Of the total number of unemployed, 24.5

percent are people who reached this status due to the bankruptcy of companies for which they worked.

In the course of 1992, direct cooperation between the Ministry of Labor, Social Welfare, and Family and representatives of trade unions, (?job) centers, and others was established with regard to problems between employers and employees. Although disagreements persist, a relatively good level of cooperation has been reached. This has been proved by the signing of a general collective agreement on the level of minimum basic pay with trade unions of public services and public enterprises.

For development of the social welfare system the following are essential:

1) Legal regulation of social welfare should be brought in line with the Constitution and laws regulating employment, health insurance, pensions and disability payments, insurance, schooling, as well as with other laws, so each of the mentioned systems secures protection of a certain category of the population up to a level sufficient to satisfy the existing minimum;
2) Provision of the necessary accommodation capacities in the social services—including the allocation of military barracks and holiday homes taken over from legal subjects whose owners are outside Croatia;
3) Provision of a certain number of social flats to house socially threatened people who cannot resolve their accommodation problems with their own funds, particularly victims of the aggression against Croatia;
4) Provision of a single record system at the republic level with an adequate information back-up;
5) Categorization of institutions with the aim of establishing their status with regard to the number and structure of the accommodated beneficiaries and the standard of accommodation;
6) Revision and control of all forms of social welfare to prevent claims on several grounds;
7) Acceleration of activities for the adoption of a law on pensions and disability insurance and a law on child benefits, which will satisfy a section of social welfare beneficiaries;
8) Close cooperation with trade unions on a partnership basis.

The emergence of a huge number of displaced persons and refugees as a result of the brutal war, imposed on Croatia and later on Bosnia-Hercegovina on the part of Serbia and Montenegro, currently represents for Croatia a humanitarian, economic, social, and financial problem, which will be difficult to solve. About 4.7 million Croatian citizens are supporting 700,000 displaced persons and refugees. As a comparison, this would be like Italy taking care of 7 million people or Germany, 10 million refugees or the U.S., 30 million refugees. The total cost of taking care of displaced persons and refugees in Croatia, from the beginning of July 1991 until the end of June 1992, has been estimated at $440,000; today this exceeds half a billion dollars. On average, daily care for a displaced person costs $5.8 and a refugee costs $4.7, which is in line with the somewhat more modest conditions for the care for refugees. To cover the costs of care for displaced persons and refugees as much as 20 percent of the Croatian budget will be spent.

The Republic of Croatia has so far been given, either bilaterally or multilaterally via international humanitarian organizations, a considerable amount of humanitarian aid from the international community--in particular, the UNHCR [UN Office of the High Commissioner for Refugees], UNICEF, ICRC [International Committee of the Red Cross], the international Caritas, the World Health Organization, international migration organizations, and the International Salvation Committee, which have actively involved themselves in helping to solve the refugee crisis in our country. The Republic of Croatia owes extreme gratitude for the solidarity of the EC, among which Germany, Austria, Switzerland, Italy, and Hungary should be singled out in particular, as well as the EC itself, for the help so far, both in securing humanitarian aid for Croatia and for accepting a certain number of refugees from Croatia. Tonnes of humanitarian aid has arrived.

From the realistic point of view, however, foreign humanitarian aid is not sufficient in relation to the vastness and range of problems in taking care of an enormous number of displaced persons and refugees in the heavily damaged Republic of Croatia. The main aim of Croatian policy is the return of displaced persons and refugees to their homes. The government has already, in accordance with the directions of Republic president, called for an emergency meeting with the UNPROFOR [UN Protection Force] at the highest level, at which it will clearly ask for implementation of the Vance plan with precise deadlines for the return of displaced persons to areas under UNPROFOR protection as well as to the so-called Pink Zones, where conditions necessary for this exist.

Croatia appeared on the international scene under difficult conditions resulting from a defensive war and at a time of great changes in international relations. An extremely difficult situation and a new international context presented a set-back for Croatian foreign policy, but also a great challenge. The challenge was to find our place in the new system of European and world relations on a new democratic basis that would correspond with the best European and world standards, with all ensuing rights and responsibilities. Becoming a member of the United Nations, Croatia successfully finished the first stage of its international objective directed at achieving full statehood and international recognition.

Several details illustrate the huge efforts undertaken so far. Croatia has been recognized by 85 states. We have established diplomatic relations with 48. All great powers, all European countries, and the EC are among the countries that recognize Croatia; 18 countries have embassies in Croatia, and Croatia has 18 embassies abroad. We have offices, general consulates, or honorary consulates in 10 countries. So far, Croatia is a member of the United Nations and several specialized agencies and

organizations. The number of organizations in which Croatia has achieved membership is growing every day. We preserve our contacts with other states through observer status.

Following the first stage of the battle for international recognition, our current foreign policy is concentrating—besides development of bilateral relations with European and other countries—on two key issues. First, we are exerting a great effort together with other international factors—above all, the EC states and the CSCE as well as UN Security Council—in activities to stop Serbian aggression and abrogate its catastrophic consequences. We are continuing our activities within the framework of the London conference for a permanent solution of the problems created by the break-up of the former Yugoslavia.

At the same time, we are doing everything for successful implementation of the UN peace plan including complete withdrawal of the former army from Croatia, demilitarization of the UNPA [UN Protected Areas], the return of refugees to their homes, and the end of the UNPROFOR mission in Croatia. During the entire war for the homeland and after it, Croatia remained loyal to the international efforts and initiatives of the world community—particularly that of the EC and UN. This orientation received its full confirmation at the London conference when the principles opted for by Croatia were confirmed by an impressive number of participants as the only internationally acceptable basis for a political solution to the crisis.

Second, Croatian diplomacy is striving to secure negotiations about the regulation of contractual relations and the perspective participation of Croatia in European regional organizations. As a central European and Mediterranean country, Croatia is, of course, interested in securing its place in multilateral and bilateral activities in the region as quickly as possible.

IMF membership is extremely important for Croatia and Croatian diplomacy has an important task in this. Membership gives access to the World Bank, its adjoining financial institutions, and world capital markets. Talks with the IMF delegation, which visited Croatia several times, as well as contacts by the Republic president during the London conference with key players in the world political scene showed that Croatia could soon become a member of the IMF. Positive contacts have been made with the European Bank for Reconstruction and Development, and we are preparing a proposal for GATT membership.

Ladies and gentlemen of the honorable Assembly, as I said at the beginning of my address, I have mentioned only some of the main aspects of the problems that this government will be systematically solving as long as the president of the Republic and you want us to do this. There is no doubt that we are serious and that we have decided for a policy of quick steps. The government has already determined its program tasks in the initial period with clearly defined assignments and deadlines for the execution of these tasks. The government has prepared a report on problems and results in the creation of a new legal system program and the plan for adoption of priority laws. It prepared a report about the main macroeconomic problems and has proposals for removal of the most important limitations in building and further development of the economic system. It also prepared a report on the measures and activities that should be undertaken in creation of the new tax and customs system to stimulate creation of a market economy and private enterprise as preconditions for foreign capital investments.

The government prepared a proposal of criteria for concessions as one of the measures for securing foreign capital investment to stimulate production and reconstruction of the state, The government prepared a plan of activities for removing administrative limitations that are blocking a more efficient sale of state-owned apartments. It adopted a decision about transforming the Croatian social accountancy service and a detailed plan on the implementation of this decision. The government prepared measures for the transformation of ownership and the privatization of smaller companies and shops. It prepared a project with the letter of the Government of the Republic of Croatia, which was sent to the governments of European and other states with a proposal for stimulating measures that would enable the regeneration of economic activities and employment in Croatia through certain material compensations and foreign investments.

The government prepared a report on social policy illustrated with comparative figures on the use of individual rights and social security aid, the number of refugees in Croatia and neighboring European countries, unemployment figures, cooperation with trade unions, and a proposal on measures of the future social policy with an emphasis on urgent measures for partial solution of the refugee crisis in Croatia. With its decree, the government changed and supplemented the law on the division of public revenue between Croatia and the units of local self-government as well as tax rates so it could stimulate new employment and economic growth. The decree reduced the rate of state income tax from 10 to 7 percent—the rate is completely abolished in war-hit areas. We also set a 2 percent tax for net salaries.

In addition to these measures, I want to stress two more tasks facing this government. Socialist self-management is still present in the economic and legal system in the form of public ownership and through the law on associated labor, still in effect in all public companies that still have not completed the transformation of ownership in accordance with the law on the transformation of public companies. Immediately on beginning this term, the government confronted this problem, and we will soon propose solutions.

The Government of Croatia, its ministries, offices, and agencies are now situated at some 20 different sites in

Zagreb; therefore, its functioning is inefficient. With the professionalization of the Croatian Assembly, in accordance with the new Constitution and with the Assembly's need for new office areas, it is clear that the government and the Assembly cannot remain together in this building. Studies and proposals with new solutions for accommodation of the entire government at fewer sites have been prepared. The final decision could be made this year—its implementation will begin this year—and in 1993, the entire government should be working in new, more functional conditions.

Esteemed Assembly, ladies and gentlemen, the job ahead of the government is immense and has many challenges. It demands capable, diligent, systematic people with creative potential and discipline. This job is new and creative, the routine approach is unnecessary. The job should be done as soon as possible. If we did not believe in success, we would not undertake this job. With God's help, we are condemned to be successful. On the basis of article 98, Paragraphs 3 and 4 of the Croatian Constitution, the president of the Republic of Croatia appointed the President, vice-presidents, and ministers of Government of the Republic of Croatia.

Federal

Panic Interviewed; 'Even Bigger Optimist'

LD0909163792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 9 Sep 92

[Text] Belgrade, 9 Sep (TANJUG)—Federal Premier Milan Panic stated today in a Belgrade Radio Two program called "On the Front Page" that he is "happy because the Serbs are for peace, because it is the policy of his government and that citizens support that policy and hold it in great esteem. [quotes as received]

Panic assessed the importance of the London conference as fantastic and the performance of the Yugoslav delegation as very successful. In a talk with editor Branislav Marinkov, Panic said that after London he was "an even bigger optimist" and that "the positive thing is that our delegation had Major's and Hurd's support."

The federal premier repeated that his primary goal in London was peace and that he "would have never given an inch of the Serbian soil, nor a single life in Krajina."

As the first results of the conference Panic cited the fact that Karadzic started to hand over heavy weapons to be placed under the UN control, that the Split-Sarajevo road has been opened and Gorazde unblocked. "I expect peace soon, the normalization of the situation, the return of refugees and that people in Bosnia-Hercegovina start to live peacefully," the federal prime minister said.

The most important thing, according to him, is to fulfill the UN conditions, to remove all reasons which led to the imposition of sanctions. We also opened up roads for humanitarian aid, gave Banja Luka and Belgrade airport and showed we were for peace. The biggest thing achieved in London is that we succeeded to make them trust us, Panic said. Panic said Libyan leader Qadhdhafi's idea on the unification of Bosnia-Hercegovina and the Federal Republic of Yugoslavia is "very good." "I think we should propose to the UN that Bosnia-Hercegovina unite with the Federal Republic of Yugoslavia and Macedonia. Economically it is very important to do. That is my dream: that all is united again, to make the united states of the Balkans, that our living standard be near that in Europe." Asked the same question again the premier stressed that he "absolutely believes in the united states of the Balkans." "Romania agrees with that idea and Gligorov shares the same opinion; only the Albanians have their own stance," Panic added.

He said the recent assembly discussion on the no-confidence motion in the government is only a phase of democracy, but he was "surprised at how few details the people heard; they either did not know or lied." The premier assessed the behavior of some deputies as "national shame," urging the setting up of an ethical committee which would monitor and control deputies' behavior. Panic added that a deputy to the assembly does not represent only himself but also the voters. The federal premier said that he changed the entire negotiating team for talks in Geneva, since the previous one "lost all battles."

Federal Premier Milan Panic stressed that the Federal Republic of Yugoslavia has no territorial aspirations in its neighborhood. As for dual nationality, he says that such conditions should be created whereby "Croats in Yugoslavia could also be Croatian citizens just as Yugoslavs in Croatia should also have Yugoslav nationality." The question of where one wants to live can only be answered through elections, following which the right to self-determination can be exercised.

If we manage to keep the UNPROFOR in Krajina for several years, there will be enough time to have the situation calmed down and to call an election. Then people will be given a chance to vote on where they want to live. We are not going to change borders by force but by votes, Panic said. As far as Kosovo is concerned Yugoslavia's position in London is clear. This is our internal matter, the premier stressed. Some laws which have been adopted in Kosovo are detrimental to Albanians so these laws ought to change. Likewise, schools must open, if not state school then some money will be found to fund private Albanian-language universities, private schools, Panic said. He also maintains that "the law barring Serbs and Montenegro from returning to Kosovo and Metohija, passed immediately after World War II, should be abolished as undemocratic."

Premier Panic also said his relationship "with the Serbian leadership is not bad." "I and Bozovic work whenever he invites me; we do talk. They want us to pay more attention to economic problems. In my view the lifting of sanctions is the most important thing as we can solve other problems afterwards. Once we have introduced a stable monetary system other issues can also be solved. I want to make sure that the people who have been saving, who have deposited their money with a state bank, get their money back. We must ensure that our invalids receive a decent income, that universities are free, that our press is free," Panic said.

Bringing his interview to a close, the premier singled out freedom of the press as one of the most important issues. "I want to privatize the entire press. One day firms such as Belgrade Radio and Television will be privatized. The most important concern is that they must not be controlled by a government because the ruling party can then control this television," Premier Milan Panic said in his interview with Belgrade Radio Program Two.

Official Comments on Defense Industry

LD0909112392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1019 GMT 9 Sep 92

[Text] Belgrade, 9 Sep (TANJUG)—Lieutenant Colonel General Milorad Dragojevic, assistant defense minister of the Federal Republic of Yugoslavia [FRY], has said that although not insignificant military capacities have

been left behind in the secessionist republics, the FRY Army is under no threat of any kind.

In an interview published today by the Belgrade-based VECERNJE NOVOSTI, Dragojevic said the military industry has been functioning without interruption. Claims that major factories and vital production capacities have remained outside the FRY are groundless, he stressed.

Asked how much of the military industry had been left behind in the former Yugoslav republics, Dragojevic said: "Some sources claim that the facilities in the former Bosnia-Hercegovina made up as much as 60 percent of the entire SFRY military industry. That is not true," Dragojevic insisted. He went on to produce the following figures: "At the end of 1990, out of about an 80,000-strong work force in the military industry, 41.8 percent were in Bosnia-Hercegovina, 1.2 percent in Montenegro, 43.8 percent in Serbia, 7.5 percent in Croatia, 3.4 percent in Macedonia and 2.3 percent in Slovenia. In terms of the asset value, the FRY military industry amounts to 48 percent of the SFRY military industry. The size of the FRY population amounts to about 44 percent of the SFRY population."

Asked whether it was true that a considerable quantity of some completed weapon systems for which the Yugoslav People's Army has partially paid for remained in Bosnia-Hercegovina, Dragojevic replied that a considerable quantity of completed or partially completed Orkan and Oganj rocket systems, artillery weapons, mortar launchers, etc. remain at the Bratstvo factory in Travnik.

Concluding that a number of weapon systems developed and produced in the former Yugoslavia are at the very top of the world's weapon industry because of their important characteristics, Dragojevic said that a prototype of the Vihor tank is in the final phase of production, and can in due course replace the M-84a. Dragojevic stated that important documents are being prepared for "the most expensive and the most complicated product" and also for "some other complicated weapon systems."

Government Preparing Anti-Inflation Program

LD0809223292 Belgrade TANJUG in English 1511 GMT 8 Sep 92

[Text] Belgrade, Sept 8 (TANJUG)—The priority task of the Yugoslav Government is to create conditions for the lifting of U.N. sanctions against the Federal Republic of Yugoslavia, it was stressed during a meeting on Tuesday [8 September] between Yugoslav Prime Minister Milan Panic and representatives of Yugoslav economic associations.

Panic and economists from Serbia and Montenegro agreed that, once the sanctions are lifted, conditions should be created to attract foreign capital which would help recover the Yugoslav economy.

Panic said his cabinet was stepping up preparations for an anti-inflation programme which would contain short-term measures to ease the effects of the U.N. sanctions.

The participants of the talks agreed about the necessity of a firm control of the country's primary issue, which is within the competences of the Yugoslav Central Bank.

They criticized the practice of some managers in socially-owned firms transferring the merchandise to their private firms, registered under the name of a member of their families. The question, known in the world as the "conflict of interests," will be regulated by a law as part of the Federal Government's commitment to create legal state.

Kosovo

Police Arrest Headmasters; Lock out Pupils

AU0909170892 Tirana Radio Tirana Network in Albanian 1330 GMT 9 Sep 92

[Text] The Kosovo Democratic Alliance sources report that the Serbian police continues its violent acts against the Albanian teachers even after the decision to postpone starting classes until 14 September. Yesterday, the Serbian authorities arrested Ismet Maloku, a teacher at the Xhevdet Doda High School of Pristina. The headmaster of the Zymbyle Ismaili High School was recently arrested and held for several hours.

According to Albanian sources, two armored cars remain in front of the Philological Gymnasium of Pristina and do not allow the students and teachers to enter.

Yesterday, the Serbian police forces locked out the Albanian pupils and teachers from the Dituria Elementary School of Bushtrice and arrested the headmasters of the elementary schools in Decan Commune: Ilir Lezhdaj, Haki Islamja, and Zek Zaqarri.

Serbs Reportedly Remove Religious Treasures

92BA1377A Belgrade NIN in Serbo-Croatian 21 Aug 92 p 22

[Article by Luka Miceta: "Kosmet: The Cradle and/or the Child"]

[Text] Last May, the Holy Council of Bishops ordered the Holy Synod (the executive body of the Council) to form a commission of experts that would draw up instructions on caring for the art treasures of the church in the crisis area.

At the time, there was no public response to this whatsoever.

When some of the treasure from the monastery Gracanica was transported to Belgrade this summer, the Serbs in Kosmet became upset. The treasure from

Kosmet monasteries has become an occasion for the issue of Kosovo to be raised once again in all its traumatic nature.

Is it really a question just of protecting and restoring articles of inestimable value, or is something else involved, something much more crucial not only for Kosmet Serbs, but even for "universal Serbism"?

Mr. Artemije, bishop of Raska and Prizren, declared back in early June: "I am afraid of betrayal by the present government, so that we might fare like the Serbian krajinas or still worse."

Slobodan Mileusnic, director of the Museum of the Serbian Orthodox Church [SPC], said that he is surprised that manipulative use is being made of the movement of these treasures of religious art and that these movements are acquiring the most diverse connotations. No movement, Mileusnic said, of an art treasure that can be moved has been done without consent of the competent bishop and approval of the Holy Synod.

Ljubomir Vukadinovic, secretary of the association "Bozur [Peony]," proposed in what he said at a meeting in Decani that a "proclamation be issued to the Serbian people," because "no one has the right to take over concern in the name of the Serbs for their spirituality and existence." Vukadinovic also said that "whoever did this (Vukadinovic was speaking about removal of the treasure and the trade-off of Kosovo) has committed a crime against us." He called upon "Bishop Artemije to immediately return everything taken in the name of the Serbian people, to call Cosic, Panic, and Milosevic and tell them the real truth." The Decani proclamation was preceded by the Gracanica declaration, which included the statement: "If the representatives of the government do not respond to our demands... the Serbs in Kosovo and Metohija will take their destiny in their own hands."

The Bishop's Words

Bishop Artemije said at the meeting in Decani that more than a year had passed from the decision of the Holy Council of Bishops and that it was felt that those regions in which war was being waged were threatened. Mr. Artemije also pointed out the following: "At this point, the storm is probably approaching these parts as well.... Our meeting here is not so much to discuss the articles taken away, but what is being prepared for us and who is preparing it for us." Commenting on the statements of Prime Minister Milan Panic concerning Kosovo, the Reverend Artemije, bishop of Raska and Prizren, said: "The statement of Mr. Panic that he will grant Kosovo self-determination, that it will be his first duty to put an end to the Serbian repression... the statement that Kosovo will gain autonomy through an amendment to the Constitution... looks to us like a case of grand treason in a series of many betrayals which our people have experienced over the last year and a half or two years."

This esteemed high church official also criticizes Prime Minister Panic for having visited almost the entire world in the last month without coming to Kosovo, but wanting to convene a conference on Kosovo with the Albanians.

Metropolitan Jovan of Zagreb and Ljubljana, who has been living in Belgrade for a long time, believes that there "is nothing unusual or sinister about moving the Serbian treasures from Kosovo; this does not signify a denial of Kosovo or the tradition of Serbism.... Were I in Bishop Artemije's place, I would not raise so much dust over the movement of treasure from Kosovo, this is wartime, and we must think far ahead and govern ourselves wisely...."

Metropolitan Jovan is not in the place of Bishop Artemije, just as for a long time he has not even been in his own place, in his own Metropole of Zagreb and Ljubljana.

The Serbs in Kosovo and Metohija no longer believe anyone, especially not those who are thinking about the "cradle of Serbism" from a safe distance.

"So," Bishop Artemije is categorical, "those who are selling us out, who are promising Kosovo, who are selling it, and so on, we must say to them a historic 'NO.'"

The Decani declaration states unambiguously: "We inform the universal body of Serbs...that we are withdrawing our support from the president of FR [Federal Republic] Yugoslavia and the president of the Republic of Serbia, as well as from the prime ministers of these republics, that in the name of the Serbs of Kosmet they have no legitimate right to make any decisions whatsoever concerning Kosmet without prior agreement and consent of the Serbian people."

Tomislav Sekulic, a reputable citizen of Kosmet, has told NIN at one point: "It was an illusion that everything could be done without the Albanians and that everything was actually finished. That complete severance from the Albanians is Serbia's great mistake...." Is it now committing another mistake and going to the other extreme of neglecting the Serbs of Kosmet and under the world's pressure going to negotiations and entering into agreements with the Skipetars at any price?

A few months ago, we were told by a bishop of the SPC: "Kosovo, brothers, is lost." Mica Popovic, painter and member of the academy, recently said that Kosovo should be given up, that the finger should be given up to save the hand. Dobrica Cosic is of a similar opinion, according to what we were told by a well-known journalist who is close to that writer and the present president of Yugoslavia.

Dr. Vladeta Jankovic, professor, has confirmed this in an interview with NIN: "Dobrica Cosic is the first to mention the idea of a division of territory, not publicly, but people knew that he said that," adding: "The situation today is such that we must talk to the Albanian leaders. We have to reconcile ourselves to the fact that the Serbs represent only 8 percent in Kosovo. The

Albanians must gain autonomy." The Serbs in Kosmet felt that something was in the air and reacted stormily.

The Battle of Kosovo All Over Again

The Skipetars are, of course, following all this attentively. The first to react was Veton Suroi, president of the Parliamentary Party of Kosovo: "Without going into the question of who took the Serbian religious relics from Kosovo and why, we feel that they must be returned here, because they were here and they are a part of Kosovo. No one need be afraid and express fear concerning the Serbian cultural and spiritual legacy in Kosovo. After all, the Republic of Kosovo will be a part of Serbian cultural space and will be concerned about the legacy and development of the culture of the Serbian people."

When we asked Miroslav Solevic, who has long been a Kosovo leader, what would happen to Kosovo, he replied: "Do you know to whom you are talking? I am Miroslav Solevic, not Slobodan Milosevic. You ought to put that question to him." Solevic explained the situation in Kosovo with three words: "Black, black, black." As to the transfer of religious relics, he said: "This means that we are preparing for the events of war in Kosovo. And if that is preventive, then it is understandable, but if it is part of a preparation for separation of a part of Kosovo to join Albania, then all of us who up to now have been shouting that a disaster has occurred in Serbia were premature with that assessment, because the true disaster will come if the unreasonable top political leadership decides to solve the problem of the Skipetar ethnic minority by giving a part of Kosovo to Albania."

The Serbs in Kosovo became aroused once again. This is best portrayed by the words of Bishop Artemije: "Not to insist on present recovery, but to fight for the position of the entire Serbian people that when Kosovo becomes an issue, we will fight the battle of Kosovo all over again. And only after the battle of Kosovo can we restore the treasure to our churches."

Bishop Artemije seems to have forgotten how we fared in the battle of Kosovo. The Skipetar's it seems, have not. Vujar Bukosi, "prime minister of the Republic of Kosovo," has announced a rebellion of Skipetars in Kosovo. Fehmi Agani, vice president of the Democratic Alliance of Kosovo, added that this does not mean a prediction at all, but a warning that "a rebellion could occur only if solution of the question of Kosmet is postponed indefinitely."

The problem, of course, is not simple at all. Can we preserve the Serbs in Croatia and Bosnia-Hercegovina if we give up the cradle of "the universal body of Serbs"? Or, what is one to do with the cradle when someone else's child is in it, whose "fathers" are thereby thinking of laying claim to it? Can we preserve both the cradle and the child?

Who is it who wants, is able, and dares to talk about this? Someone must, as soon as possible. After all, battles, especially Kosovo battles, have not been a boon to the Serbs. We barely survived one battle of Kosovo, the Serbs, who now are like the "poor orphan with no one at all," certainly would not survive a second.

Montenegro

Defense Minister Interviewed on Topical Issues

92BA1373A Podgorica POBJEDA in Serbo-Croatian 25 Aug 92 p 5

[Unattributed article including interview with Bozidar Babic, defense minister of the Republic of Montenegro; place and date not given: "Behind the Scenes and Entangled"]

[Text] At the moment that immediately precedes the Conference on Yugoslavia in London, the Federal Republic of Yugoslavia [FRY]—its legitimate entities—are doing everything, through their positions and practical actions, to contribute to a start on resolving the very complicated situation on the territory of the former SFRY, and in particular to halting the civil war in the former B-H [Bosnia-Hercegovina].

We talked to Bozidar Babic, defense minister in the government of the Republic of Montenegro, about some of the problems involved.

Unequal Dialogue

[POBJEDA] What can be expected from this conference?

[Babic] First of all, FR Yugoslavia is not being treated by most of the international community as an equal participant in the conference, because the attempt is being made to conduct talks through Serbia and Montenegro, which are only members of FR Yugoslavia. Second, the territory of FR Yugoslavia is subject to truly unprecedented sanctions, which have been imposed on it by that same international community that wants to help in resolving the problems on the soil of the former Yugoslavia. That international community is ignoring the existence and the law of more than 50 percent of the people of that former Yugoslavia, it is not recognizing the democratically expressed will of the people to have its own state, while on the other side it recognizes certain new states that lack any of the attributes of statehood (people, territory, authority), for example, Bosnia-Hercegovina.

Those two facts alone, and there are many others, call into question the initial position for an equal discussion at any conference, including, of course, this one. In such a situation, then, can I expect any very significant results, especially those which could signify that the crisis is beginning to be resolved? Under these conditions, which are extremely unfair to FR Yugoslavia,

certainly not. We might rather expect what is desired by the protagonists and their helpers (Germany, Austria, the United States, Italy), which is to condemn Serbia and Montenegro because of aggression against "independent" B-H! So that they might complicate an already difficult situation even more, they do not even grant Serbia (which presumably they do formally recognize) the right to resolve its internal problems itself, for example, the problems of ethnic minorities in Kosmet (Albanians) and Vojvodina (Hungarians), but rather those same helpers in the breakup of Yugoslavia are "concerned" on that account, that is, because of the alleged threat to their rights, although it is clear to everyone that they possess those rights in keeping with the highest standards.

[POBJEDA] Those who have broken up Yugoslavia are preparing new measures, including military intervention?

[Babic] The most recent resolutions of the UN Security Council do indeed envisage that. Individual leaders of the Western countries and government officials have been expressing diverse assessments, opinions, and proposals about forcing Serbia (Montenegro and Yugoslavia are not even mentioned) to halt the aggression against B-H! This is utterly senseless and irrational. Even if the FRY or one of its members was involved in the civil war in B-H (and none is), all the belligerents should be put in the same position if any constructive solution is desired, that is, cessation of the civil war. Serbia is now being accused of aggression (!?), but neither it nor the FRY has a single soldier there, and the real protagonists (the three nationalities in B-H) and the real aggressor (more than 40,000 of Croatia's soldiers) are not mentioned.

The statements of some of the protagonists advocating further sanctions against the FRY (against Serbia, as they put it) sound simply unfathomable. For example, Eagleburger, acting U.S. secretary of state: "The United States will never recognize conquest in Croatia and B-H. They (the Serbs) must withdraw to the original borders..." or "The bloody civil war may spread even to the southern Serbian Province of Kosovo." Volker Riess, German defense minister, calls for the London conference to tighten the embargo against Serbia "...Serbia is continuing genocide...." (Where, against whom, with whom!?) "Germany is not arming Croatia...." (Funny, is it not? Who, then, is doing it, and who has done it up to now?) The question arises of who is doing the conquering and where? The Serbs in B-H are on their own territory and defending their own villages and their own land. There is no Serbia there.

Elaborate Plans

[POBJEDA] Is military intervention possible, and what would be its objectives?

[Babic] The Security Council has adopted resolutions to that effect concerning security for humanitarian aid on the territory of the former B-H. That includes even the commitment of troops. This is a rather broad concept. Military intervention implies involvement of the necessary military forces to guarantee the safe conduct and arrival of humanitarian aid at certain points, which presupposes use of segments of all military branches (air force, navy, and ground forces) of those states that want to send certain military units under the flag of the United Nations. The basic objective of the action or commitment of those forces would be to secure certain points and corridors for unhindered traffic (air, ground, and maritime) so that humanitarian aid could reach its destination normally.

Every day we hear that plans for carrying out those missions are being worked out in the military staffs of certain Western countries. They will probably devise plans in keeping with the policy being conducted in this area. The Muslim-Croatian side expects the military intervention to be aimed against the Serbs in B-H, or even the annihilation of military objectives on the territory of FR Yugoslavia (airfields, military bases, etc.). The Serbs in B-H are against military intervention, and as a goodwill gesture they are willing to place their heavy weapons under supervision of UN forces.

[POBJEDA] How could military intervention be carried out?

[Babic] It is truly difficult and complicated. The possible options are these: (1) escorting humanitarian convoys with air cover (airplanes and helicopters) either constantly or on call. This presupposes that the route is first cleared in a swath wide enough to guarantee the convoy's safety; (2) emplacement of ground forces along the routes by which the humanitarian aid is to be advanced, which requires a large number of soldiers and other military equipment. This also presupposes prior clearing, creation of a safe zone, and constant patrolling to prevent a threat to it; and (3) a combined method that would presuppose the use of ground forces, air force, and naval forces, to the extent that that is possible. It is most likely that only the third option would in fact be possible. All of this, regardless of the steps taken, will not occur without losses both of the civilian population and also soldiers and equipment from those units.

[Box, p 5]

The Facts Speak for Themselves

[POBJEDA] The delegation of FR Yugoslavia is nevertheless going to London?

[Babic] The broadest consultations have been held at all levels and with many structures. Nevertheless, only Yugoslavia is going to London, and that is the only correct decision. FR Yugoslavia is going to London to tell the truth to the world, namely:

—that FR Yugoslavia is a fact, concretely a state with all its attributes, a state which has existed for several decades, now reconstructed and arranged by will of the people who live in it;

—that it has no territorial claims against neighboring states (Prevlaka is a part of the state territory of FR Yugoslavia);
—that it is in favor of a peaceful and political solution to the civil war in B-H on the basis of consensus of the three constituent nationalities. Only then will the FRY recognize B-H, but within the borders so agreed;
—that it will recognize Croatia within the borders that are not under UNPROFOR [UN Protective Force] protection upon recognition of a political solution for the territories under UN protection, with consent of the Serbian people living there;
—that the question of Kosmet, Vojvodina, and the so-called Sandzak are an internal affair of Serbia as a member of FR Yugoslavia.

Yugoslavia must and can prove with the facts who is who in B-H, and in particular in whose interest it is to wage civil war and who is the real aggressor. This is decisive for FR Yugoslavia, which indirectly through Serbia and Montenegro is constantly being accused of aggression. The truth is on our side, and finally, even the Western news media can no longer keep this silent.

[Box, p 5]

Disastrous for an Aggressor

[POBJEDA] Could we anticipate military intervention with a limited objective on the territory of FR Yugoslavia?

[Babic] The UN forces do not have such authority; they have received the task from the Security Council of securing the advancement of humanitarian aid in B-H. I would mention that there have been such demands, and certain belligerent Western defense ministers (of Italy, Germany, Turkey) have constantly been advocating action against vital military targets on the territory of the FRY. This is not only senseless, in view of the consequences that would follow from that. We are returning to the terrain of politics, and the clearly expressed views of our state leadership (in addition to those already presented) stand as a contribution to the proposition that there is no basis whatsoever for any kind of military intervention on the territory of the FRY, and

—control of the state border of the FRY with B-H by the United Nations in order to provide practical proof that the FRY has nothing to do with the war in B-H, and
—the monitoring of military airfields and other military bases on the territory of the FRY by UN representatives.

But if anyone dares without Yugoslavia's consent to cross its border forcibly, he will encounter strong resistance. Certain conceited "generals" have not sufficiently appreciated what it has been in the past. In particular, how disastrous it has been for those who thought they could trample on this Yugoslav land of ours.

Macedonia

'Total Economic Collapse' Threatens Republic

LD0709211792 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 7 Sep 92

[Report by Marija Damjanovska from Skopje]

[Text] A shortage of gasoline in Macedonia is threatening to completely paralyze the most vital services in the country and to cause a total economic collapse of the republic. An increasing number of enterprises has ceased production, and fruit and vegetables and other foodstuffs are not being delivered to markets where prices continue to rise. On the black market, the Macedonia currency, the denar, has been devalued by 80 percent. Strikes have become a daily occurance.

It is no surprise that the country has found itself in such a situation. For over two months now Macedonia has practically been without a government. The previous government had no real authority while the obvious goal of the newly elected one is to eliminate all nationalist parties' cadres within the authority. Allegedly nine members from the old government have been retained in the new cabinet. Experts up until yesterday, they have now become members of the Social Democratic Alliance, former communists, and of the Albanian Party for Democratic Prosperity. Meanwhile, the population is being deceived by the propaganda claims about the incompetence of the former government despite the fact that during its mandate economic trends were much more stable.